

Pathfinder KiwiSaver Plan
Financial Statements
For the year ended 31 March 2023

Manager's Statement

In the opinion of the Manager, the accompanying Financial Statements are drawn up so as to present fairly the financial position of the Pathfinder KiwiSaver Plan as at 31 March 2023 and the results for the period ended on that date in accordance with the requirements of the Pathfinder KiwiSaver Master Trust Deed dated 29 May 2019 as amended from time to time.

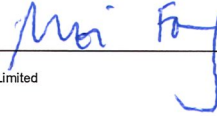
The Directors are of the opinion that the Pathfinder KiwiSaver Plan will be able to pay its debts as and when they fall due.

Director



Pathfinder Asset Management Limited

Director



Pathfinder Asset Management Limited

Date

31/07/2023

Date

31/07/2023

Additional Unitholder Information

Notice of Trust Deed Amendment

There have been no amendments to the Trust Deed during the period covered by the Financial Statements.

Statements of Changes in Net Assets

\$ For the year ended 31 March		Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
		2023	2022	2023	2022	2023	2022	2023	2022
Income									
Interest income	12	311,617	125,048	683,208	276,615	827,625	405,343	1,822,450	807,006
Dividend and distribution income		48,285	47,540	583,824	389,912	1,989,722	1,202,918	2,621,831	1,640,370
Foreign exchange gains/(losses) on financial instruments at amortised cost		6,717	(852)	(36,056)	(24,836)	113,565	(96,216)	84,226	(121,904)
Net gains/(losses) on financial assets and liabilities at fair value through profit or loss		(190,831)	(35,715)	(1,147,743)	703,025	(2,975,872)	2,370,222	(4,314,446)	3,037,532
Other income		1,755	3,522	5,278	14,057	2,024	31,228	9,057	48,807
Total income/(loss)		177,543	139,543	88,511	1,358,773	(42,936)	3,913,495	223,118	5,411,811
Expenses									
Management fees	8.2	94,175	62,439	561,804	344,562	1,582,778	958,073	2,238,757	1,365,074
Transaction costs		1,281	3,127	11,956	14,622	43,722	57,550	56,959	75,299
Interest expense		1,320	492	9,608	4,944	35,839	15,827	46,767	21,263
Other expenses		2,223	1,097	5,125	2,400	10,267	6,910	17,615	10,407
Total expenses		98,999	67,155	588,493	366,528	1,672,606	1,038,360	2,360,098	1,472,043
Net profit/(loss) before membership activities		78,544	72,388	(499,982)	992,245	(1,715,542)	2,875,135	(2,136,980)	3,939,768
Contributions									
Member contributions		996,454	552,150	3,259,960	1,699,429	10,928,359	5,929,449	15,184,773	8,181,028
Employer contributions		547,405	292,061	1,616,642	891,011	5,662,961	3,128,935	7,827,008	4,312,007
Crown contributions		165,460	77,431	533,820	266,169	1,609,365	785,404	2,308,645	1,129,004
Transfers from other Funds in the Scheme		2,775,342	1,528,147	504,567	866,316	651,631	1,728,468	-	-
Transfers from other KiwiSaver schemes		4,223,235	3,330,583	11,063,877	19,108,720	34,554,162	44,811,743	49,841,274	67,251,046
Transfers from other superannuation schemes		40,895	35,802	513,864	119,205	759,515	472,154	1,314,274	627,161
Lump sum contributions		438,064	1,995,718	1,457,562	4,808,973	2,204,369	2,698,330	4,099,995	9,503,021
Other voluntary contributions		4,983	8,581	33,178	25,449	174,754	71,281	212,915	105,311
Member attributed taxation		-	12,368	-	868	-	1,259	-	14,495
Other income		330	36	494	827	1,872	1,239	2,696	2,102
		9,192,168	7,832,877	18,983,964	27,786,967	56,546,988	59,628,262	80,791,580	91,125,175
Withdrawals									
Transfers to other Funds in the Scheme		641,509	1,567,178	1,849,540	1,211,596	1,440,491	1,344,157	-	-
Transfers to other KiwiSaver schemes		396,339	303,335	500,287	420,603	1,801,043	748,761	2,697,669	1,472,699
Transfers to other superannuation schemes		-	-	36,017	-	220,658	-	256,675	-
Member attributed taxation		32,947	1,503	70,802	83,455	226,273	367,249	330,022	452,207
Member administration fees		12,026	6,786	37,603	21,867	103,990	61,021	153,619	89,674
Life- shortening congenital conditions		-	-	-	-	-	12,749	-	12,749
Withdrawals on death		27,663	-	-	-	-	-	27,663	-
Withdrawals or transfers on permanent emigration		217,262	-	-	-	64,320	1,174	281,582	1,174
Member eligible withdrawals		2,852,362	1,123,578	1,749,005	619,872	491,202	133,427	5,092,569	1,876,877
Serious illness withdrawals		10,999	-	-	-	42,501	-	53,500	-
First home purchase withdrawals		982,625	830,983	353,501	411,616	1,301,676	733,097	2,637,802	1,975,696
Significant financial hardship withdrawals		6,455	-	41,621	-	73,891	-	121,967	-
Paid under other enactments		1,052	110	46	-	-	-	1,098	110
		5,181,239	3,833,473	4,638,422	2,769,009	5,766,045	3,401,635	11,654,166	5,881,186
Net membership activities		4,010,929	3,999,404	14,345,542	25,017,958	50,780,942	56,226,627	69,137,413	85,243,989
Members' accounts at the start of the year		10,348,965	6,277,173	45,509,434	19,499,231	106,967,945	47,866,183	162,826,344	73,642,587
Movements in members' accounts for the year		4,089,473	4,071,792	13,845,560	26,010,203	49,065,400	59,101,762	67,000,433	89,183,757
Members' accounts at the end of the year		14,438,438	10,348,965	59,354,994	45,509,434	156,033,345	106,967,945	229,826,777	162,826,344

The Notes form an integral part of, and should be read in conjunction with, these financial statements.

Statements of Net Assets

\$ As at 31 March	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Members' Funds	14,438,438	10,348,965	59,354,994	45,509,434	156,033,345	106,967,945	229,826,777	162,826,344
Represented by:								
Current assets								
Cash and cash equivalents	3,610,546	1,974,906	8,045,836	6,515,626	18,666,180	7,401,226	30,322,562	15,891,758
Receivables 9	72,579	29,062	297,133	767,153	1,063,395	1,267,270	1,429,290	2,057,066
Term deposits	205,272	1,223,314	-	3,296,161	-	5,063,085	205,272	9,582,560
Loans	-	187,885	-	685,227	-	1,105,205	-	1,978,317
Financial assets at fair value through profit or loss 3	10,593,546	6,929,791	51,204,710	34,385,570	136,969,775	92,691,034	198,768,031	134,006,395
Tax receivable on behalf of members	30	12,625	9,583	880	44,879	1,474	54,492	14,979
Total assets	14,481,973	10,357,583	59,557,262	45,650,617	156,744,229	107,529,294	230,779,647	163,531,075
Current liabilities								
Trade and other payables 10	1,905	763	113,121	35,806	444,414	164,115	555,623	194,265
Payables to related parties 11	9,630	7,015	54,057	40,700	161,677	108,461	225,364	156,176
Financial liabilities at fair value through profit or loss 3	-	772	-	12,112	-	34,240	-	47,124
Tax payable on behalf of members	32,000	68	35,090	52,565	104,793	254,533	171,883	307,166
Total current liabilities	43,535	8,618	202,268	141,183	710,884	561,349	952,870	704,731
Net assets available for benefits	14,438,438	10,348,965	59,354,994	45,509,434	156,033,345	106,967,945	229,826,777	162,826,344

These financial statements were authorised for issue by the Manager, Pathfinder Asset Management Limited.

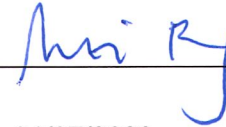
Director



Director

31/07/2023

Date



Date

31/07/2023

The Notes form an integral part of, and should be read in conjunction with, these financial statements.

Statements of Cash Flows

\$ For the year ended 31 March	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Cash flows from operating activities								
Sale of investments	2,085,356	470,433	5,693,840	2,475,050	14,686,973	6,100,011	22,466,169	9,045,494
Repayments on loans	170,000	222,328	620,000	644,844	-	1,576,261	790,000	2,443,433
Interest received	296,807	94,317	675,396	185,097	867,387	290,721	1,839,590	570,135
Dividend and distribution income	33,953	21,212	520,329	257,589	1,808,380	871,356	2,362,662	1,150,157
Other Income	1,755	3,522	5,278	14,057	2,024	31,228	9,057	48,807
Purchase of investments	(5,842,187)	(5,374,998)	(22,737,334)	(23,270,069)	(59,494,314)	(54,569,785)	(88,073,835)	(83,214,852)
Loan advances	-	(246,274)	-	(848,823)	1,000,000	(1,552,989)	1,000,000	(2,648,086)
Net increase in term deposits	1,018,042	(16,667)	3,296,161	(1,387,744)	5,063,086	(1,548,964)	9,377,289	(2,953,375)
Net cash (paid)/received on settlement of forward foreign exchange contracts	(46,608)	(13,509)	(760,960)	(103,682)	(2,268,019)	(354,485)	(3,075,587)	(471,676)
Interest expense	(1,320)	(492)	(9,608)	(4,944)	(35,839)	(15,827)	(46,767)	(21,263)
Payments made for management fees and other operating expenses	(99,758)	(66,415)	(570,005)	(348,078)	(1,600,952)	(986,625)	(2,270,715)	(1,401,118)
Net cash outflow from operating activities	14	(2,383,960)	(4,906,543)	(13,266,903)	(22,386,703)	(39,971,274)	(55,622,137)	(77,452,344)
Cash flows from financing activities								
Contributions received	9,148,453	7,876,580	19,511,385	27,362,559	57,001,673	58,833,130	81,727,369	89,913,683
Withdrawals paid	(5,147,150)	(3,850,123)	(4,581,325)	(2,735,954)	(5,461,523)	(3,060,891)	(11,255,856)	(5,488,382)
Member tax (liabilities)/receivables, inclusive of foreign withholding tax	11,580	(3,751)	(96,980)	(27,237)	(419,418)	(187,767)	(504,818)	(218,755)
Net cash inflow from financing activities	4,012,883	4,022,706	14,833,080	24,599,368	51,120,732	55,584,472	69,966,695	84,206,546
Net(decrease)/increase in cash and cash equivalents	1,628,923	(883,837)	1,566,177	2,212,665	11,149,458	5,425,374	14,344,558	6,754,202
Cash at the beginning of the year	1,974,906	2,859,592	6,515,626	4,328,003	7,401,226	2,072,082	15,891,758	9,259,677
Effect of exchange rate fluctuations	6,717	(849)	(35,967)	(25,042)	115,496	(96,230)	86,246	(122,121)
Cash and cash equivalents at the end of the year	3,610,546	1,974,906	8,045,836	6,515,626	18,666,180	7,401,226	30,322,562	15,891,758

The Notes form an integral part of, and should be read in conjunction with, these financial statements.

Notes to the Financial Statements

1. General information

Reporting entity

The reporting entity is the Pathfinder KiwiSaver Plan. The Scheme is made up of three funds ("the Funds"):

- Pathfinder KiwiSaver Conservative Fund ("Conservative Fund")
- Pathfinder KiwiSaver Balanced Fund ("Balanced Fund")
- Pathfinder KiwiSaver Growth Fund ("Growth Fund")

The Manager of the Scheme is Pathfinder Asset Management Limited ("the Manager") and the Supervisor of the Scheme is Public Trust ("the Supervisor"). The Scheme is registered and domiciled in New Zealand. The registered office of the Manager of the Scheme is PWC Tower, Level 37, 15 Customs Street West, Auckland Central.

These Financial Statements were authorised for issue by the Board of Directors of the Manager on 31 July 2023.

The Scheme is a defined contribution scheme under the KiwiSaver Act 2006, which means that members contribute to the Scheme over time and benefits payable depends on the amount of contributions made and any returns on contributions received. The Scheme is also registered as a Managed Investment Scheme in accordance with the Financial Markets Conduct Act 2013.

The Scheme has been launched with the issuance of the Scheme's Master Trust Deed on 29 May 2019 and commenced operations on 31 July 2019.

Effective 2 February 2021 the Trust Deed has been amended to address the repeal of the Trustee Act 1956 and changes brought about under the Trusts Act 2019.

Effective 22 March 2021 the Trust Deed has been amended to change the names of the Funds and the Scheme as outlined above.

The financial statements are for the year ended 31 March 2023. The comparatives are for the year ended 31 March 2022.

The principal activities of the Funds are described below:

- The Conservative Fund seeks to provide members with modest returns with a lower risk focus. Members would choose the Conservative Fund if they have a short to medium term time frame of 3 to 5 years. The Fund is an ethical portfolio with a higher exposure to income assets (like bonds and bank deposits) and lower exposure to growth assets (like shares). Investments are spread across geographies, companies and sectors to provide diversification. This Fund's value is unlikely to fluctuate as much as the Balanced Fund or Growth Fund
- The Balanced Fund seeks to provide members with medium returns with a medium risk focus. Members would choose the Balanced Fund if they have a medium to long-term time frame of 5 or more years. The Fund is an ethical portfolio which invests in a balance between growth assets (like shares) and income assets (like bonds and bank deposits). Investments are spread across geographies, companies and sectors to provide diversification. The Fund's value is likely to fluctuate more than the Conservative Fund but less than the Growth Fund.
- The Growth Fund seeks to provide members with medium to high returns with a higher risk focus. Members would choose the Growth Fund if they have a long term investment horizon of at least 8 to 10 years. The Fund is an ethical portfolio with a higher exposure to growth assets (like shares) and lower exposure to income assets (like bonds and bank deposits). Investments are spread across geographies, companies and sectors to provide diversification. This Fund's value is likely to fluctuate more than the Balanced Fund or Conservative Fund.

Statutory base

The Pathfinder KiwiSaver Plan is registered under the Financial Markets Conduct Act 2013 (FMC Act) as a KiwiSaver Scheme. The Scheme is a trust vehicle governed by a Master Trust Deed dated 29 May 2019 as amended and/or restated from time to time.

2. Summary of accounting policies

The principal accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied throughout the period presented, unless otherwise stated.

2.1 Basis of preparation

The Financial Statements have been prepared in accordance with the requirements of Generally Accepted Accounting Practice in New Zealand (NZ GAAP). For the purpose of complying with NZ GAAP, the Funds are for-profit entities. These Financial Statements comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), and other applicable Financial Reporting Standards, as appropriate for-profit entities. The Financial Statements also comply with International Financial Reporting Standards (IFRS). The financial statements have been prepared on the historical cost basis, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss. The methods used to measure fair values are discussed further below. The accrual basis of accounting has been applied for all the Funds and the Scheme. The going concern assumption has been applied for all the Funds' and the Scheme's financial statements.

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the Financial Statements.

There have been no changes to comparative figures as a result of the implementation of new accounting standards.

Standards and amendments to existing standards effective 1 April 2022 impacting the Scheme

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 April 2022 that have a material effect on the financial statements of the Scheme.

There are no standards, amendments or interpretations that have been issued but are not yet effective that are expected to materially impact the Schemes' financial statements.

2.2 Investment entity

The Scheme meets the definition of investment entities per NZ IFRS 10 'Consolidated financial statements' as the following conditions exist:

- The Scheme has obtained funds for the purpose of providing investors with investment management services.
- The Scheme's business purpose, which is communicated directly to investors, is investing solely for returns from capital appreciation and investment income.
- The performance of investments made through other funds managed by the Manager, is measured and evaluated on a fair value basis.

The Scheme also displays all four characteristics that are associated with an investment entity:

1. it has more than one investment;
2. it has more than one investor;
3. it has investors that are not related parties; and
4. ownership interest in the Scheme is represented by respective units held in the Funds.

Notes to the Financial Statements

2.3 Financial instruments

(a) Classification

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

Financial assets at fair value are classified as financial assets mandatorily measured at fair value through profit or loss and comprise of listed and unlisted equities, unlisted funds, listed and unlisted fixed interest securities and forward foreign exchange contracts. Such financial assets are mandatorily measured at fair value in accordance with NZ IFRS 9.

Financial liabilities at fair value through profit or loss comprise derivative contracts that have a negative fair value. Such financial liabilities are mandatorily measured at fair value in accordance with NZ IFRS 9.

(ii) Financial assets at amortised cost

Financial assets measured at amortised cost includes cash and cash equivalents, loans, and receivables. Such assets are measured at amortised cost when they are held within a business model whose objective is to hold and collect contractual cash flows and those cash flows are solely payments of principal and interest on the principal amount outstanding.

(a) **Cash and cash equivalents** include cash in hand, deposits held at call with banks, deposits with brokers in New Zealand dollars and foreign currencies. Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as movements in the fair value of these securities represents the Funds' main income generating activity.

(b) **Loans** are financial assets with fixed and determinable payments that are not quoted in an active market. The "hold to collect" model is applied to these financial assets as the contractual terms only give rise to cash flows that are solely payments of principal and interest.

(c) **Receivables** present amounts that are owed to the Funds at balance date. The amounts as presented in the Statements of Net Assets comprises of interest receivable, dividends and distributions receivable and contributions receivable.

(d) **Term deposits** are debt instruments where the business model is held for collection only; the contractual terms only give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further the "hold to collect" model will be applied for these financial assets due to the following: collection of contractual cash flows is not incidental, there's no intention to sell these assets and they are used to effectively manage cash reserves. On this basis, the fair value option will not be applied and they are classified as financial assets at amortised cost.

(iii) Financial liabilities at amortised cost

Financial liabilities at amortised cost include payables. These liabilities are measured at amortised cost using the effective interest method. Gains and losses are recognised in the Statements of Changes in Net Assets when the liabilities are derecognised, as well as through the amortisation process.

(a) **Payables** are amounts representing liabilities owing by the Funds at balance date. These amounts as presented in the Statements of Net Assets include: trade and other payables, which comprise of redemptions payable and unsettled investment trades payable; and payables to related parties, which comprise of management fees payable.

(b) Recognition, derecognition and measurement

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

The Scheme recognises financial assets and liabilities at fair value through profit or loss on the date they become parties to the contractual agreement. Financial assets and liabilities 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. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Funds have transferred substantially all of the risks and rewards of ownership. This occurs upon maturity or disposal of the asset. Financial liabilities are derecognised when the obligation under the liability is discharged, cancelled or expires. Subsequent to initial recognition, all financial assets and liabilities at fair value through the profit or loss are measured at fair value. Gains and losses arising from changes in the fair value are recognised in the Statements of Changes in Net Assets when they arise. Any gain or loss arising on derecognition of the financial asset or financial liability at fair value through profit or loss is included in the Statements of Changes in Net Assets in the period the item is derecognised. Gains or losses are calculated as the difference between the disposal proceeds and the carrying amount of the item. Interest and dividend income are separately recognised in the Statements of Changes in Net Assets. Purchases and sales of investments are recognised on the trade date, the date on which the Scheme commits to purchase or sell the investment. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The Funds do not apply hedge accounting.

(ii) Financial assets and liabilities at amortised cost

The Scheme recognises financial assets and liabilities at amortised cost on the date it becomes a party to the contractual agreement. Financial assets and liabilities at amortised cost are initially recognised at fair value including any eligible transaction costs.

Subsequent to initial recognition, all financial assets at amortised cost are measured at amortised cost less any expected credit loss. Any expected credit loss is recognised in the Statements of Changes in Net Assets. Refer to note 2.11 for more details. Subsequent to initial recognition, all financial liabilities at amortised cost are measured at amortised cost.

Financial assets at amortised cost are derecognised when the rights to receive cash flows from the investments have expired or the Funds have transferred substantially all of the risks and rewards of ownership. Financial liabilities at amortised cost are derecognised when the obligation under the liability is discharged, cancelled or expires. Any gain or loss arising on derecognition of the financial asset or financial liability at amortised cost is included in the Statements of Changes in Net Assets in the year the item is derecognised.

(c) Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date in the principal or, in its absence, the most advantageous market to which the Scheme had access at that date. The fair value of a liability reflects its non-performance risk.

Fair value in an active market

The fair value of financial assets and liabilities traded in active markets, such as publicly traded derivatives and trading securities including bonds and equities, is based on their quoted market prices at the balance date without any deduction for estimated future selling costs. Financial assets and liabilities are priced at last traded price. Where the last sale price falls outside of the bid-ask spread for a particular stock, a price within the bid -ask spread will be used to value the investment.

Fair value in an inactive or unquoted market

The fair value of financial assets and liabilities that are not traded in an active market, such as unlisted funds, unlisted equities, certain debt securities and forward foreign exchange contracts, is determined by using valuation techniques. The Manager of the Scheme uses a variety of methods and make assumptions that are based on market conditions existing at each balance date. Valuation techniques used include reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs. For further details, refer to note 5.

The Scheme's investments in other funds are subject to the terms and conditions of the respective funds' offering documentation. The investments in other funds are primarily valued based on the latest available redemption price of such units for each other fund investment, as determined by the other funds' administrators. The Manager of the Scheme reviews the details of the reported information obtained from the other funds and consider: the liquidity of the other fund or its underlying investments; the value date of the net asset value provided; and restrictions on redemptions; and the basis of accounting and, in instances where the basis of accounting is other than fair value, fair valuation information is obtained from the other funds' advisors.

The Scheme has no rights to request any redemption from its investment in Property Income Fund Limited. The carrying values of the other funds may not be indicative of the values ultimately realised on redemption.

If necessary, the Manager of the Scheme makes adjustments to the net asset value of various other fund investments to obtain the best estimate of fair value. Net gain/(loss) on financial instruments at fair value through profit or loss in the Statements of Changes in Net Assets include the change in fair value of each other fund.

Fair value of exchange-traded and not exchange-traded derivatives

- Fair value of forward foreign exchange contracts

Forward foreign exchange contracts are primarily used by the Funds to economically hedge against foreign currency exchange rate risks on its non-New Zealand dollar denominated trading securities. The Funds agree to receive or deliver a fixed quantity of foreign currency for an agreed price on an agreed future date. The fair value of forward foreign exchange contracts is determined using valuation techniques based on spot exchange rates and forward points supplied by WMWReuters. The Scheme recognises a gain or loss equal to the change in fair value at the balance date. The Scheme recognises a gain or loss equal to the change in fair value at the balance date and is presented in the Statements of Changes in Net Assets within net gains/(losses) on financial instruments at fair value through profit or loss.

Notes to the Financial Statements

2.4 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statements of Net Assets when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Multi-currency account balances, held with the same counterparty, are offset and presented as a net amount in the Statements of Net Assets.

2.5 Net assets available for benefits

The net assets available for benefits represents the liability for promised retirement benefits. Units are redeemed for the purpose of permitted withdrawals (such as reaching the retirement age of 65 or enduring significant hardship), transferred to another Fund within the Scheme or a separate KiwiSaver Scheme and which are equal to a proportionate share of the respective Fund's net asset value which is the redemption price. The fair value of redeemable units is measured at the redemption amount that is payable at the period end date if Members exercise their right to redeem units back to the Funds.

As stipulated in the Trust Deed, each unit represents a right to an individual share in the respective Fund and does not extend to a right in the underlying assets of the respective Fund nor other funds within the Scheme. The Funds' net asset value is calculated by dividing the net assets attributable to all holders of units in the Fund by the total number of units on issue of each Fund.

2.6 Investment income

Interest income

Interest income on financial assets at amortised cost are included under Income in the Statements of Changes in Net Assets and are recognised as interest accrues on a time-proportionate basis using the effective interest rate method. Interest income on financial assets at amortised cost comprises of interest earned on bank accounts, loans and term deposits. Interest expense on financial liabilities at amortised cost is included under Expenses in the Statements of Changes in Net Assets and are recognised as interest accrues on a time-proportionate basis using the effective interest rate method and comprises of interest owed on bank accounts or margin accounts in overdraft.

Dividend and distribution income

Dividend income is recognised on the ex-dividend date with any related foreign withholding tax and resident withholding tax recorded in the Statements of Changes in Net Assets as a unitholder tax liability. Dividend and distribution income is recorded at gross of withholding tax in the Statements of Changes in Net Assets. Unlisted funds' distributions are recognised on a present entitlement basis.

Net gains and losses on financial assets and liabilities at fair value through profit or loss

Realised and unrealised gains and losses are reflected in the Statements of Changes in Net Assets as net gains/(losses) on financial assets and liabilities at fair value through profit or loss.

Unrealised gains or losses include the change in net market value of investments held as at balance date and the reversal of prior periods unrealised gains or losses on investments that have been realised in the current period. Realised gains or losses are calculated based on the gross sale proceeds and the weighted average cost of the investments sold.

2.7 Expenses

All expenses, including the Scheme's management fees and expenses, are recognised in the Statements of Changes in Net Assets on an accruals basis.

2.8 Foreign currency translation

(a) Functional and presentation currency

Items included in the Scheme's Financial Statements are measured using the currency of the primary economic environment in which they operate (the "functional currency"). The functional currency for the Scheme is the New Zealand dollar, which reflects the currency in which the Funds of the Scheme compete for funds and are regulated. The Scheme's subscriptions and redemptions of units are denominated in New Zealand dollars. The performance of the Funds is measured in New Zealand dollars. The Manager considers the New Zealand dollar as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The Financial Statements are presented in New Zealand dollars, which is also the Funds' presentation currency, and rounded to the nearest dollar.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at balance date.

Differences arising on settlement or translation of monetary items are included in profit or loss in the Statements of Changes in Net Assets.

Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statements of Changes in Net Assets within 'Net gains/(losses) on financial assets and liabilities at fair value through profit or loss'.

2.9 Income tax

The Funds of the Scheme qualify as and have each elected to be a Portfolio Investment Entity (PIE) for tax purposes. Under the PIE regime income is effectively taxed in the hands of the members and therefore the Funds have no income tax expense. Accordingly, no income tax expense is recognised in the Statements of Changes in Net Assets. Income is disclosed gross of any resident and foreign withholding taxes deducted at source and the taxes are included in Unitholder tax liabilities in the Statements of Changes in Net Assets.

Under the PIE regime, the Manager attributes the taxable income of the Funds to members in accordance with the proportion of their interest in the Funds. The income attributed to each member is taxed at the member's "prescribed investor rate" which is capped at 28% on redemptions and annually at 31 March each year.

Members' funds have been adjusted to reflect the impact of tax on the value of unit holdings.

Member tax liabilities disclosed in the Statements of Changes in Net Assets consists of withdrawals to meet member tax liabilities under the PIE regime and any resident and foreign withholding taxes deducted at source.

2.10 Goods and Services Tax (GST)

The Scheme is not registered for GST. The Statements of Changes in Net Assets and Statements of Cash Flows have been prepared so that all components are stated inclusive of GST. All items in the Statements of Net Assets are stated inclusive of GST.

2.11 Impairment of financial assets at amortised cost

In accordance with NZ IFRS 9, the Manager assesses on a forward looking basis the expected credit losses associated with all its financial assets at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. At each reporting date, the Manager shall measure the loss allowance for the financial assets at amortised cost that is an amount equal to the lifetime expected credit losses, irrespective of the timing of the default, if the credit risk for that financial instrument has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Manager shall measure the loss allowance for that financial instrument at an amount equal to expected credit losses resulting from default events that are possible within the next 12 months (a 12 month ECL). The Funds shall recognise in the Statements of Comprehensive Income, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at reporting date to the amount required in accordance with NZ IFRS 9.

The criteria that the Manager uses to determine that there is objective evidence of a default event include:

- Delinquency in contractual payments of principal or interest;
- Cash flow difficulties experienced by the borrower;
- Breach of loan covenants or conditions;
- Initiation of bankruptcy proceedings;
- Deterioration of the borrower's competitive position; and
- Deterioration in the value of collateral.

If there is objective evidence that an expected credit loss charge on loans has incurred, the carrying amount of the asset is reduced through the use of a loss allowance provision and the amount of the credit loss recognised in the Statements of Changes in Net Assets.

When a loan is uncollectible, it is written off against the related provision for expected credit loss. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

2.12 Critical accounting estimates and judgements

The preparation of financial statements in conformity with NZ IFRS requires the use of certain critical accounting estimates. It also requires the Manager to exercise its judgement in the process of applying the Scheme's accounting policies. The Manager has followed the applicable technical accounting guidance in selecting the accounting policy to designate financial assets at fair value through profit or loss upon initial recognition. This policy has significant impact on the amounts disclosed in the financial statements.

The Manager has used judgement in the categorisation of its financial assets and liabilities at fair value through profit or loss in accordance with the fair value hierarchy under NZ IFRS 13, 'Fair value measurement'. Refer to Note 5 for further detail.

Notes to the Financial Statements

3. Financial instruments

\$ As at 31 March	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Financial assets at fair value through profit and loss								
Forward foreign exchange contracts	5,166	4,268	138,990	52,628	464,249	178,551	608,405	235,447
Listed equities	399,652	1,580,918	19,496,263	23,226,200	67,760,168	74,511,484	87,656,083	99,318,602
Unlisted equities	221,589	234,873	1,093,049	1,159,793	2,972,272	3,209,240	4,286,910	4,603,906
Unlisted funds	3,120,567	521,238	14,688,261	2,116,493	49,692,286	5,200,450	67,501,114	7,838,181
Fixed interest securities	6,846,572	4,588,494	15,788,147	7,830,456	16,080,800	9,591,309	38,715,519	22,010,259
Total financial assets at fair value through profit or loss	10,593,546	6,929,791	51,204,710	34,385,570	136,969,775	92,691,034	198,768,031	134,006,395
Financial assets at amortised cost								
Cash and cash equivalents	3,610,546	1,974,906	8,045,836	6,515,626	18,666,180	7,401,226	30,322,562	15,891,758
Term deposits	205,272	1,223,314	-	3,296,161	-	5,063,085	205,272	9,582,560
Loans	-	187,885	-	685,227	-	1,105,205	-	1,978,317
Trade and other receivables	72,579	29,062	297,133	767,153	1,063,395	1,267,270	1,429,290	2,057,066
Total financial assets at amortised cost	3,888,397	3,415,167	8,342,969	11,264,167	19,729,575	14,836,786	31,957,124	29,509,701
Total financial assets	14,481,943	10,344,958	59,547,679	45,649,737	156,699,350	107,527,820	230,725,155	163,516,096
Financial liabilities at fair value through profit or loss								
Forward foreign exchange contracts	-	772	-	12,112	-	34,240	-	47,124
Total financial liabilities at fair value through profit or loss	-	772	-	12,112	-	34,240	-	47,124
Financial liabilities at amortised cost								
Trade and other payables	1,905	763	113,121	35,806	444,414	164,115	555,623	194,265
Trade and other payables to related parties	9,630	7,015	54,057	40,700	161,677	108,461	225,364	156,176
Total financial liabilities at amortised cost	11,535	7,778	167,178	76,506	606,091	272,576	780,987	350,441
Total financial liabilities	11,535	8,550	167,178	88,618	606,091	306,816	780,987	397,565

3.1 Offsetting financial instruments

The Scheme is subject to International Swaps and Derivatives Association (ISDA) arrangements with their derivative counterparties with respect to forward foreign exchange contracts: BNZ (since 1 July 2021). According to the terms of the ISDA arrangement, forward foreign exchange contracts, of each Fund are settled net. The Scheme has a contractual relationship with BNZ. These contracts have general terms and conditions that set out the relative parties right to offset.

\$ As at 31 March	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	2023	2022	2023	2022	2023	2022	2023	2022
<i>Forward foreign exchange contracts subject to offsetting, enforceable master netting arrangements and similar agreements</i>								
Gross amounts of recognised financial assets	5,166	4,268	138,990	52,628	464,249	178,551	608,405	235,447
Gross amounts of recognised financial liabilities set-off in the Statements of Net Assets	-	-	-	-	-	-	-	-
Net amounts of financial assets presented in the Statements of Net Assets	5,166	4,268	138,990	52,628	464,249	178,551	608,405	235,447
<i>Related amounts not set-off in the Statements of Net Assets</i>								
Financial instruments	-	(772)	-	(12,112)	-	(34,240)	-	(47,124)
Net amount	5,166	3,496	138,990	40,516	464,249	144,311	608,405	188,323
<i>Forward foreign exchange contracts subject to offsetting, enforceable master netting arrangements and similar agreements</i>								
Gross amounts of recognised financial liabilities	-	772	-	12,112	-	34,240	-	47,124
Gross amounts of recognised financial assets set-off in the Statements of Net Assets	-	-	-	-	-	-	-	-
Net amounts of financial liabilities presented in the Statements of Net Assets	-	772	-	12,112	-	34,240	-	47,124
<i>Related amounts not set-off in the Statements of Net Assets</i>								
Financial instruments	-	(772)	-	(12,112)	-	(34,240)	-	(47,124)
Net amount	-	-	-	-	-	-	-	-

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

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

The related amounts not set-off in the Statements of Net Assets represent amounts that have not been offset in the Statements of Net Assets but could be expected to be offset in the event of default by either the Scheme or its counterparty to the derivative contract. For financial instruments this is the maximum value of assets and liabilities that could be offset.

Notes to the Financial Statements

4. Concentration of investments

The following table presents the securities, excluding derivatives, exceeding 5% of net assets available for benefits at balance date:

\$	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
As at 31 March	2023	% of NAV	2023	% of NAV	2023	% of NAV	2023	% of NAV
Investments exceeding 5% of net assets available for benefits								
Pathfinder Global Green Bond Fund	1,004,927	6.96%	4,019,708	6.77%			5,024,635	2.19%
Pathfinder Responsible Investment Fund	1,370,588	9.49%	-	0.00%				
Pathfinder Wholesale Ethical Trans-Tasman Fund			9,915,457	16.71%	36,471,287	23.37%	46,386,744	20.18%
\$	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
As at 31 March	2022	% of NAV	2022	% of NAV	2022	% of NAV	2022	% of NAV
Investments exceeding 5% of net assets available for benefits								
WSTP Term Deposit 2.52% 09/02/2022 09/02/2023	1,223,314	11.82%	2,989,856	6.57%			4,213,170	2.59%

The following table presents the securities, excluding derivatives, exceeding 5% of security class

\$	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
As at 31 March	2023	% of Security class	2023	% of Security class	2023	% of Security class	2023	% of Security class
Securities exceeding 5% of security class								
Financial assets at fair value through profit or loss								
Listed equities								
Asml Holding Nv	62,969	15.76%						
Enphase Energy Inc	23,527	5.89%						
Equinix Inc	27,659	6.92%						
First Solar Inc	52,146	13.05%						
Lam Research Corp	35,587	8.90%						
Microsoft Corporation	79,719	19.95%	1,008,232	5.17%	3,700,230	5.46%	4,788,181	5.46%
SOLAREEDGE TECHNOLOGIES INC	30,606	7.66%						
Tesla Motors Inc	44,102	11.04%						
Vestas Wind Systems A/S	33,350	8.35%						
Fixed interest securities								
KIWI 2.155% 20/09/2024	427,608	6.25%	1,330,336	8.43%			2,233,064	5.77%
VCTNZ 4.996% 14/03/2024	495,894	7.24%						
AJANZ 5.67% 09/05/2028					1,037,542	6.45%		
CORT 2.20% 21/03/2026					1,671,328	10.39%	2,665,091	6.88%
WLBASC 3.90% 23/12/2025					1,076,856	6.70%		
WLBASC 6.50% 21/12/2026					1,206,148	7.50%		
Unlisted funds								
Pathfinder Global Green Bond Fund	1,004,927	32.20%	4,019,708	27.37%	7,726,332	15.55%	12,750,967	18.89%
Pathfinder Responsible Investment Fund	1,370,588	43.92%			5,122,556	10.31%	7,107,851	10.53%
Pathfinder Wholesale Ethical Trans-Tasman Fund	701,998	22.50%	9,915,457	67.51%	36,471,287	73.39%	47,088,742	69.76%
Unlisted equities								
Lodestone Energy	80,000	36.10%	400,000	36.59%	1,020,000	34.32%	1,500,000	34.99%
Groov Limited	47,064	21.24%	152,942	13.99%	360,787	12.14%	560,793	13.08%
Sharesies Limited	89,660	40.46%	429,939	39.33%	1,211,172	40.75%	1,730,771	40.37%
Woolaid Limited			61,520	5.63%	223,018	7.50%	284,538	6.64%
EasyCrypto Tranche 1					157,295	5.29%		
Forward foreign exchange contracts								
AUDNZD Maturing 27/06/2023 (BZL NZ)	1,314	25.43%	16,890	12.15%	62,110	13.38%	80,314	13.20%
EURNZD Maturing 27/06/2023 (BZL NZ)	306	5.92%	8,632	6.21%	24,873	5.36%	33,811	5.56%
NZDUSD Maturing 27/06/2023 (BZL NZ)	3,528	68.28%	101,140	72.77%	334,341	72.02%	439,009	72.16%
NZDJPY Maturing 27/06/2023 (BZL NZ)			12,320	8.86%	42,830	9.23%	55,168	9.07%
Financial assets at amortised cost								
Term deposits								
WSTP Term Deposit 4.75% 22/06/2022 22/06/2023	205,272	100.00%					205,272	100.00%

Notes to the Financial Statements

4. Concentration of investments (continued)

\$ As at 31 March	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	2022	% of Security class	2022	% of Security class	2022	% of Security class	2022	% of Security class
Securities exceeding 5% of security class								
Financial assets at fair value through profit or loss								
Fixed interest securities								
AIANZ 3.97% 02/11/2023	317,677	6.92%						
ANZNZ 2.999% 17/09/2031			636,198	8.12%	518,384	5.40%	1,366,648	6.21%
AUCKCN 2.411% 20/10/2027					755,121	7.87%		
CORT 2.20% 21/03/2026	321,020	7.00%	687,899	8.78%	1,696,817	17.69%	2,705,736	12.29%
CORT 2.64% 24/08/2025			473,535	6.05%	639,272	6.67%	1,302,221	5.92%
GENEPO 5.81% 08/03/2023			411,017	5.25%				
MCYNZ 2.16% 29/09/2026					683,309	7.12%		
NEDWBK 3.125% 01/03/2027					733,523	7.65%		
RENTEN 2.875% 11/02/2027	291,604	6.36%	583,209	7.45%			874,813	3.97%
SPKNZ 3.37% 07/03/2024	299,028	6.52%	548,218	7.00%			847,246	3.85%
TPNZ 5.448% 03/15/2023	260,580	5.68%						
VCTNZ 4.996% 14/03/2024	510,895	11.13%	510,895	6.52%	510,895	5.33%	1,532,685	6.96%
WSTP 2.22% 29/07/24	338,090	7.37%			531,284	5.54%	869,374	3.95%
WLB ASSET II B			420,578	5.37%	602,829	6.29%	1,023,407	4.65%
WLBASC 3.90% 23/12/2025			420,008	5.36%	980,019	10.22%	1,400,027	6.36%
Unlisted funds								
Alvarium Private Credit Fund	475,273	91.18%	1,968,749	93.02%	4,803,183	92.36%	7,247,205	92.46%
Property Income Fund Ltd	45,965	8.82%	147,744	6.98%	397,267	7.64%	590,976	7.54%
Unlisted equities								
Lodestone Energy	40,000	17.03%	200,000	17.24%	510,000	15.89%	750,000	16.29%
Groov Limited	60,005	25.55%	194,997	16.81%	459,995	14.33%	714,997	15.53%
Sharesies Limited	119,868	51.04%	574,796	49.56%	1,619,245	50.46%	2,313,909	50.26%
EasyCrypto	15,000	6.39%	150,000	12.93%	485,000	15.11%	650,000	14.12%
Financial assets at amortised cost								
Loans								
LJ Fund No.6 Ltd Loan 15% 19/07/2022	187,885	100.00%	685,227	100.00%	1,105,205	100.00%	1,978,317	100.00%
Term deposits								
WSTP Term Deposit 2.52% 09/02/2022 09/02/2023	1,223,314	100.00%	2,989,856	90.71%			4,213,170	43.97%
WSTP Term Deposit 1.83% 16/02/2022 16/07/2022			306,305	9.29%				

Notes to the Financial Statements

5. Fair value estimation of financial instruments

The carrying value less impairment provision of other receivables and payables approximate their fair values.

NZ IFRS 13 requires the Funds to classify fair value measurements 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:

* Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

* Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

* Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement.

The following table analyses within the fair value hierarchy the Funds' financial assets and financial liabilities (by class) measured at fair value at year end:

\$ As at 31 March	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Level 1 Assets								
<i>Financial assets at fair value through profit or loss</i>								
Listed equities	399,652	1,580,918	19,496,263	23,226,200	67,760,168	74,511,484	87,656,083	99,318,602
Total Level 1 Assets	399,652	1,580,918	19,496,263	23,226,200	67,760,168	74,511,484	87,656,083	99,318,602
Level 2 Assets								
<i>Financial assets at fair value through profit or loss</i>								
Forward foreign exchange contracts	5,166	4,268	138,990	52,628	464,249	178,551	608,405	235,447
Unlisted funds/trusts	3,077,513	-	14,549,872	-	49,320,175	-	66,947,560	-
Fixed interest securities	6,188,425	3,919,851	14,458,287	6,478,240	13,438,405	6,906,228	34,085,117	17,304,319
Total Level 2 Assets	9,271,104	3,924,119	29,147,149	6,530,868	63,222,829	7,084,779	101,641,082	17,539,766
Level 3 Assets								
<i>Financial assets at fair value through profit or loss</i>								
Unlisted equities	221,589	234,873	1,093,049	1,159,793	2,972,272	3,209,240	4,286,910	4,603,906
Unlisted funds	43,054	521,238	138,389	2,116,493	372,111	5,200,450	553,554	7,838,181
Fixed interest securities	658,147	668,643	1,329,860	1,352,216	2,642,395	2,685,081	4,630,402	4,705,940
Total Level 3 Assets	922,790	1,424,754	2,561,298	4,628,502	5,986,778	11,094,771	9,470,866	17,148,027
Total financial assets at fair value through profit or loss	10,593,546	6,929,791	51,204,710	34,385,570	136,969,775	92,691,034	198,768,031	134,006,395
Level 3 investments as percentage of Net Asset Value	6.39%	13.77%	4.32%	10.17%	3.84%	10.37%	4.12%	10.53%
Level 2 Liabilities								
<i>Financial liabilities at fair value through profit or loss</i>								
Forward foreign exchange contracts	-	772	-	12,112	-	34,240	-	47,124
Total Level 2 Liabilities	-	772	-	12,112	-	34,240	-	47,124
Total financial liabilities at fair value through profit or loss	-	772	-	12,112	-	34,240	-	47,124

5.1 Determination of fair value of financial instruments

Level 1 financial instruments

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include listed equities. The Scheme's Manager does not adjust the quoted price for these instruments.

Level 2 financial instruments

Financial instruments that are not trading in an active market, but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified as level 2.

- The Funds' forward foreign exchange contracts are valued indirectly from observable market data including spot exchange rates and forward points and are therefore also classified within level 2.

- The fair value of the unlisted funds derived from pricing sources where the inputs are, in all material respects, market observable and classified as Level 2 in the fair value hierarchy. Refer to note 2.3 (c) Fair value of unlisted funds for further details on the fair value estimation.

- The Funds of the Scheme hold investments in Level 2 fixed interest securities. The fair values of these fixed interest securities are calculated by using a discounted cash flow calculation based on risk margins and swap yields provided by third party suppliers of financial data. These measurement basis falls within Level 2 of the fair value hierarchy as all inputs used to calculate the fair value are based on observable market data.

Notes to the Financial Statements

5. Fair value estimation of financial instruments (continued)

5.1 Determination of fair value of financial instruments (continued)

Level 3 financial instruments

Level 3 financial instruments requires judgment in the determination of their values

Where the fair value of assets and liabilities cannot be measured based on quoted prices in active markets, fair value is determined using valuation techniques with market observable inputs from third parties such as brokers or pricing vendors. For assets that have no quoted price (which principally consist of investments in unlisted companies, unlisted funds, loans and fixed income securities) the determination of fair values requires significant judgement. Fair value for these assets is determined as follows:

Unlisted investments where fair value is determined by the Manager or underlying investments by third party investment managers or administrators

The fair value of unlisted investments, where most of the fair values of the underlying investments are not market observable, is provided by the Manager. For unlisted companies, the Manager may revalue the investment securities with reference to: (i) comparable quoted assets on active markets (without deduction for selling costs); (ii) reference to other instruments that are substantially the same; (iii) applying discounted cashflow analysis and (iv) other valuation techniques commonly used by market participants.

Fixed income securities where fair value is determined by a pricing vendor

The Manager applied the fair value derived by the issuer of the security for illiquid fixed interest securities not trading in an active market. In the determination of the fair value of the security, the issuer applies a credit spread margin to the risk free rate, which is not based on market observable information. The Level 3 fixed interest securities also don't have any credit rating.

5.2 Transfers between levels in the fair value hierarchy and movement in level 3 instruments

Transfers between levels of the fair value hierarchy, for the purpose of preparing the table below, are deemed to have occurred at the beginning of the reporting period. There have been no transfers between the classifications during the year for any of the Funds.

The following table presents the movement in level 3 instruments for the year by class of financial instruments.

\$	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
As at 31 March	2023	2022	2023	2022	2023	2022	2023	2022
Level 3 unlisted equities and unlisted funds								
New Zealand unlisted investments								
Balance at the beginning of the year	756,111	344,184	3,276,286	1,167,173	8,409,690	2,909,103	12,442,087	4,420,460
Sales during the year	(553,803)	(110,950)	(2,432,267)	(452,200)	(5,872,677)	(1,047,150)	(8,858,747)	(1,610,300)
Purchases during the year	84,428	430,787	480,148	2,132,881	1,058,146	5,351,166	1,622,722	7,914,834
Net gains recognised in net changes in fair value of financial assets and financial liabilities	(22,093)	92,090	(92,729)	428,432	(250,776)	1,196,571	(365,598)	1,717,093
Balance at the end of the year	264,643	756,111	1,231,438	3,276,286	3,344,383	8,409,690	4,840,464	12,442,087
Change in unrealised gains or losses for Level 3 assets held at year end and included in net changes in fair value on financial assets and financial liabilities at fair value through profit or loss.	(24,600)	82,705	(103,144)	383,666	(350,089)	1,070,376	(477,833)	1,717,093
\$	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
As at 31 March	2023	2022	2023	2022	2023	2022	2023	2022
Level 3 debt securities								
New Zealand fixed interest securities								
Balance at the beginning of the year	668,643	351,331	1,352,216	752,851	2,685,081	1,857,034	4,705,940	2,961,216
Purchases during the year	-	370,000	-	705,000	-	1,050,000	-	2,125,000
Prior year interest received	(714)	-	(1,477)	-	(2,886)	-	(5,077)	-
Accrued interest	714	376	1,477	754	2,886	1,102	5,077	2,232
Net gains recognised in net changes in fair value of financial assets and financial liabilities	(10,496)	(53,064)	(22,356)	(106,389)	(42,686)	(223,055)	(75,538)	(382,508)
Balance at the end of the year	658,147	668,643	1,329,860	1,352,216	2,642,395	2,685,081	4,630,402	4,705,940
Change in unrealised gains or losses for Level 3 assets held at year end and included in net changes in fair value on financial assets and financial liabilities at fair value through profit or loss.	(10,496)	(53,064)	(22,356)	(106,389)	(42,686)	(223,055)	(75,538)	(382,508)

Notes to the Financial Statements

5. Fair value estimation of financial instruments (continued)

5.3 Level 3 financial instruments - fair value techniques, significant unobservable inputs and fair value sensitivities

The following tables presents the valuation techniques, significant unobservable inputs use and fair value sensitivities for financial assets categorised within Level 3 of the fair value hierarchy.

	Fair value at 31 March 2023 \$	Valuation technique	Unobservable input	Range (weighted average)	Reasonable shift +-(absolute value)	Change in valuation \$	Shareholding %
Level 3 Unlisted investments							
Conservative Fund							
Unlisted equities	221,589						
<i>Comprise of:</i>	<u>89,660</u>	Multiples based calibrated with price of recent investment	Price to Sales multiple	9 times - 10 times	1 times	9,438/(9,438)	0.03%
	131,929		Liquidity discount	15% - 25%	5%	4,483/(4,483)	
		Par Asset Value calibrated with recent transactions and new company information	Par Asset Value	1 x Asset Value	10%	13,193/(13,193)	0.03% - 0.24%
Unlisted funds	43,054		Par Asset Value	1 x Asset Value	5%	2,153/(2,153)	0.08%
Fixed interest securities	658,147	Yield curve valuation	Credit spread	0.5% - 1.5%	1%	26,326/(26,326)	n/a
Balanced Fund							
Unlisted equities	1,093,049						
<i>Comprise of:</i>	<u>429,939</u>	Multiples based calibrated with price of recent investment	Price to Sales multiple	9 times - 10 times	1 times	45,257/(45,257)	0.13%
	663,110		Liquidity discount	15% - 25%	5%	28,740/(28,740)	
		Par Asset Value calibrated with recent transactions and new company information	Par Asset Value	1 x Asset Value	5%	21,497/(21,497)	0.13% - 0.78%
Unlisted funds	138,389		Par Asset Value	1 x Asset Value	5%	6,919/(6,919)	0.27%
Fixed interest securities	1,329,860	Yield curve valuation	Credit spread	0.5% - 1.5%	1%	53,194/(53,194)	n/a
Growth Fund							
Unlisted equities	2,972,272						
	<u>1,211,172</u>	Multiples based calibrated with price of recent investment	Price to Sales multiple	9 times - 10 times	1 times	127,492/(127,492)	0.36%
	1,761,100		Liquidity discount	15% - 25%	5%	60,559/(60,559)	
		Par Asset Value calibrated with recent transactions and new company information	Par Asset Value	1 x Asset Value	10%	176,110/(176,110)	0.35% - 2.70%
Unlisted funds	372,111		Par Asset Value	1 x Asset Value	5%	18,606/(18,606)	0.37%
Fixed interest securities	2,642,395	Yield curve valuation	Credit spread	0.5% - 1.5%	1%	105,696/(105,696)	n/a

Notes to the Financial Statements

5. Fair value estimation of financial instruments (continued)

5.3 Level 3 financial instruments - fair value techniques, significant unobservable inputs and fair value sensitivities (continued)

	Fair value at 31 March 2023 \$	Valuation technique	Unobservable input	Range (weighted average)	Reasonable shift +-(absolute value)	Change in valuation \$	Shareholding %
Total Scheme							
Unlisted equities	4,286,910						
<i>Comprise of:</i>	<u>1,730,771</u>	Multiples based calibrated with price of recent investment	Price to Sales multiple	9 times - 10 times	1 times	182,186/(182,186)	0.52%
			Liquidity discount	15% - 25%	5%	86,539/(86,539)	
	<u>2,556,139</u>	Par Asset Value calibrated with recent transactions and new company information	Par Asset Value	1 x Asset Value	10%	255,614/(255,614)	0.51% - 3.72%
Unlisted funds	553,554		Par Asset Value calibrated with the underlying manager valuation	Par Asset Value	1 x Asset Value	5%	27,678/(27,678)
Fixed interest securities	4,630,402	Yield curve valuation	Credit spread	0.5% - 1.5%	1%	185,216/(185,216)	n/a

	Fair value at 31 March 2022 \$	Valuation technique	Unobservable input	Range (weighted average)	Reasonable shift +-(absolute value)	Change in valuation \$	Shareholding %
Level 3 Unlisted investments							
Conservative Fund							
Unlisted equities	234,873						
<i>Comprise of:</i>	<u>119,868</u>	Multiples based calibrated with price of recent investment	Price to Sales multiple	9 times - 10 times	1 times	12,617/(12,617)	0.03%
			Liquidity discount	15% - 25%	15% - 25%	5,993/(5,993)	
	<u>115,005</u>	Par Asset Value calibrated with recent transactions and new company information	Par Asset Value	1 x Asset Value	5%	5,750/(5,750)	0.03% - 0.24%
Unlisted funds	521,238		Par Asset Value calibrated with the underlying manager valuation	Par Asset Value	1 x Asset Value	5%	2,298/(2,298)
<i>Comprise of:</i>	<u>45,965</u>	Par Asset Value calibrated with the underlying manager valuation	Underlying manager assessment of credit risk	0 - 10%	5%	23,763/(23,763)	0.36%
	<u>475,273</u>		Yield curve valuation	Credit spread	0.5% - 1.5%	1%	26,745/(26,745)
Fixed interest securities	668,643						

Notes to the Financial Statements

5. Fair value estimation of financial instruments (continued)

5.3 Level 3 financial instruments - fair value techniques, significant unobservable inputs and fair value sensitivities (continued)

	Fair value at 31 March 2022 \$	Valuation technique	Unobservable input	Range (weighted average)	Reasonable shift +/(absolute value)	Change in valuation \$	Shareholding %
Balanced Fund							
Unlisted equities	1,159,793						
<i>Comprise of:</i>	<u>574,796</u>	Multiples based calibrated with price of recent investment	Price to Sales multiple	9 times - 10 times	1 times	60,504/(60,504)	0.13%
	584,997	Par Asset Value calibrated with recent transactions and new company information	Liquidity discount Par Asset Value	15% - 25% 1 x Asset Value	5% 5%	28,740/(28,740) 29,250/(29,250)	0.13% - 0.78%
Unlisted funds	2,116,493						
<i>Comprise of:</i>	<u>147,744</u>	Par Asset Value calibrated with the underlying manager valuation	Par Asset Value	1 x Asset Value	5%	7,387/(7,387)	0.27%
	1,968,749		Underlying manager assessment of credit risk	0 - 10%	5%	98,437/(98,437)	1.53%
Fixed interest securities	1,352,216	Yield curve valuation	Credit spread	0.5% - 1.5%	1%	54,088/(54,088)	n/a
Growth Fund							
Unlisted equities	3,209,240						
	<u>1,619,245</u>	Multiples based calibrated with price of recent investment	Price to Sales multiple	9 times - 10 times	1 times	170,446/(170,446)	0.36%
	1,589,995	Par Asset Value calibrated with recent transactions and new company information	Liquidity discount Par Asset Value	15% - 25% 1 x Asset Value	5% 5%	80,962/(80,962) 79,499/(79,499)	0.35% - 2.70%
Unlisted funds	5,200,450						
	<u>397,267</u>	Par Asset Value calibrated with the underlying manager valuation	Par Asset Value	1 x Asset Value	5%	19,863/(19,863)	0.37%
	4,803,183		Underlying manager assessment of credit risk	0 - 10%	5%	240,159/(240,159)	3.69%
Fixed interest securities	2,685,081	Yield curve valuation	Credit spread	0.5% - 1.5%	1%	107,403/(107,403)	n/a
Total Scheme							
Unlisted equities	4,603,906						
<i>Comprise of:</i>	<u>2,313,909</u>	Multiples based calibrated with price of recent investment	Price to Sales multiple	9 times - 10 times	1 times	243,569/(243,569)	0.52%
	2,289,997	Par Asset Value calibrated with recent transactions and new company information	Liquidity discount Par Asset Value	15% - 25% 1 x Asset Value	5% 5%	115,695/(115,695) 114,499/(114,499)	0.51% - 3.72%
Unlisted funds	7,838,181						
<i>Comprise of:</i>	<u>590,976</u>	Par Asset Value calibrated with the underlying manager valuation	Par Asset Value	1 x Asset Value	5%	29,548/(29,548)	0.72%
	7,247,205		Underlying manager assessment of credit risk	0 - 10%	5%	362,360/(362,360)	5.58%
Fixed interest securities	4,705,940	Yield curve valuation	Credit spread	0.5% - 1.5%	1%	118,448/(118,448)	n/a

The change in the valuation disclosed in the above table shows the direction an increase or decrease in the respective input variables would have on the valuation result for the level 3 equity securities. Increases in the multiples would each lead to an increase in estimated value. However, an increase in the discount for lack of liquidity would lead to a decrease in value.

Notes to the Financial Statements

6. Derivatives

6.1 Forward foreign currency contracts

Forward foreign currency contracts are contractual obligations to buy or sell one currency on a future date in exchange for a second currency at a specified forward foreign exchange rate which is established in an organised market. The forward contracts are agreed between the parties to the contract and are not traded on an exchange. The Scheme's open positions in forward contracts at balance date are outlined below:

\$	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
As at 31 March	2023	2022	2023	2022	2023	2022	2023	2022
Forward exchange contracts (notional value in NZ\$)								
Sell AUD/Buy NZD	25,689	200,653	79,396	2,287,390	375,561	6,466,577	480,646	8,954,620
Sell EUR/Buy NZD	61,662	42,365	1,744,123	794,405	5,018,941	3,225,585	6,824,726	4,062,355
Sell NZD/Buy AUD	-	-	-	-	-	152,191	-	152,191
Sell GBP/Buy NZD	10,037	4,081	101,391	108,192	1,163,069	2,006,298	1,274,497	2,118,571
Sell JPY/Buy NZD	899	54,638	642,426	481,433	2,234,263	1,614,330	2,877,588	2,150,401
Sell USD/Buy NZD	272,194	408,371	7,793,496	5,408,383	25,791,844	16,139,612	33,857,534	21,956,366

\$	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
As at 31 March	2023	2022	2023	2022	2023	2022	2023	2022
Forward exchange contracts (fair value in NZ\$)								
Sell AUD/Buy NZD	1,314	(772)	16,890	(12,112)	62,110	(34,240)	80,314	(47,124)
Sell EUR/Buy NZD	306	-	8,632	174	24,873	708	33,811	882
Sell NZD/Buy AUD	-	-	-	-	-	503	-	503
Sell GBP/Buy NZD	1	40	8	1,052	96	19,504	105	20,596
Sell JPY/Buy NZD	18	1,282	12,320	12,046	42,830	40,392	55,168	53,720
Sell USD/Buy NZD	3,528	2,946	101,140	39,356	334,341	117,444	439,009	159,746

7. Financial Risk Management

7.1 Financial risk

The Scheme's activities expose it to a variety of financial risks: market risk (including currency risk, cash flow and fair value interest rate risk and price risk), credit risk and liquidity risk.

All securities investments present a risk of loss of capital. The Scheme holds various financial instruments such as listed equities where the maximum loss of capital is limited to the carrying value of those positions. The maximum loss of capital on forward foreign exchange contracts is limited to the notional amount of currency that is contracted to be delivered under each contract.

In addition to internal risk management carried out by the Manager, financial risk is also managed by setting out the investment policy in the Statement of Investment Policies and Objectives (SIPO). The Manager must report to the Supervisor on SIPO compliance.

The Manager uses different methods to measure and manage the various types of risk to which it is exposed. These methods are explained below.

7.1.1 Market risk

(a) Price risk

Price risk is the risk that the fair value or future cash flows of non-monetary financial instruments will fluctuate because of changes in market prices, whether those changes are caused by factors specific to an issuer or factors affecting all similar financial instruments traded in the market. Non-monetary financial instruments which potentially subject the Scheme to price risk are investments in listed equities and funds. All investments in funds present a risk of loss of capital often due to factors beyond the Manager's control such as competition, regulatory changes, commodity price changes and changes in general economic climate domestically and internationally.

The maximum market risk resulting from financial instruments is determined by their fair value.

Where non-monetary financial instruments are denominated in currencies other than NZD, the price initially expressed in foreign currency and then converted into NZD will also fluctuate because of changes in foreign exchange rates. In addition, where the Scheme holds funds which in turn invest in securities denominated in foreign currencies, the value of the unit trust will be affected by fluctuations in foreign exchange rates. Paragraph (b) 'Foreign exchange risk' sets out how this component of price risk is managed and measured.

Sensitivity Analysis

The table below summarises the sensitivity of the Scheme's net assets attributable to Members to movements in prices including the effect of movements in foreign currency exchange rates, as at 31 March. If prices for the Scheme's investments had increased or decreased by 5% with all other variables held constant, this would have had the following impact on the Statements of Changes in Net Assets. A variable of 5% was selected for price risk as this is a reasonably expected movement based on historic trends in prices.

\$	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
As at 31 March	2023	2022	2023	2022	2023	2022	2023	2022
Listed equities, unlisted equities and unlisted funds								
Carrying amount	3,741,808	2,337,029	35,277,573	26,502,486	120,424,726	82,921,174	159,444,107	111,760,689
Impact of a -5% change in prices	(187,090)	(116,851)	(1,763,879)	(1,325,124)	(6,021,236)	(4,146,059)	(7,972,205)	(5,588,034)
Impact of a +5% change in prices	187,090	116,851	1,763,879	1,325,124	6,021,236	4,146,059	7,972,205	5,588,034

Members' Funds would be impacted by the same amount less the PIE tax adjustment that would be attributed to members.

Notes to the Financial Statements

7. Financial Risk Management (continued)

7.1 Financial risk (continued)

7.1.1 Market risk (continued)

(b) Foreign exchange risk

The Scheme operates internationally and holds both monetary and non-monetary assets denominated in currencies other than New Zealand dollars, the functional currency. Foreign currency risk, as defined in NZ IFRS 7, 'Financial Instruments: Disclosures', arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. NZ IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk. However, the Manager monitors the exposure on all foreign currency denominated assets and liabilities and therefore the information presented below has been prepared on that basis.

The Scheme may enter into foreign exchange derivatives to hedge the foreign currency risk implicit in the value of the portfolio securities denominated in foreign currency. As the nature of these contracts is to manage the international investment activities, they are accounted for by marking to market at balance date in a manner consistent with the valuation of the underlying securities.

At the balance date the Scheme had the following foreign currency exposures due to holdings of financial instruments:

\$ As at 31 March	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Australian Dollar (AUD)	23,515	212,179	52,263	2,586,723	275,518	7,473,878	351,297	10,272,779
Canadian Dollar (CAD)	8,083	7,343	197,503	181,168	639,564	682,869	845,150	871,380
Danish Krona (DKK)	170	124	1,873	1,329	6,729	4,941	8,772	6,394
Swiss Franc (CHF)	12,753	11,607	368,046	281,616	1,005,291	856,648	1,386,090	1,149,871
Euro (EUR)	36,476	47,533	1,202,722	553,174	3,514,911	2,120,565	4,754,109	2,721,271
Great British Pound (GBP)	10,010	4,056	106,536	103,339	1,246,259	1,949,407	1,362,805	2,056,801
Swedish Krona (SEK)	12,325	2,308	188,961	112,861	616,010	412,238	817,296	527,407
Norwegian Krona (NOK)	5,075	5,654	110,579	122,478	278,329	307,946	393,983	436,078
Japanese Yen (JPY)	870	53,670	665,390	667,086	2,314,804	2,057,514	2,981,065	2,778,270
Hong Kong Dollar (HKD)	4,067	3,396	153,059	53,946	879,175	116,565	1,036,301	173,907
Singapore Dollar (SGD)	-	-	15,996	14,492	207,626	48,175	223,622	62,667
United States Dollar (USD)	276,042	426,494	7,976,791	5,616,781	26,016,901	16,668,401	34,269,734	22,711,676

The table below summarises the impact on the Statements of Changes in Net Assets and Statements of Net Assets on financial instruments at balance date, had the exchange rates between the New Zealand dollar and the foreign currencies increased or decreased by 5% with all other variables held constant. The analysis is based on the Manager's best estimate of a reasonable possible shift in exchange rates with regard to historical volatility.

\$ As at 31 March	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Exchange rates increased by 5%								
Australian Dollar (AUD)	(1,120)	(10,104)	(2,489)	(123,177)	(13,120)	(355,899)	(16,728)	(489,180)
Canadian Dollar (CAD)	(385)	(350)	(9,405)	(8,627)	(30,450)	(32,518)	(40,245)	(41,494)
Danish Krona (DKK)	(8)	(6)	(89)	(63)	(320)	(235)	(418)	(304)
Swiss Franc (CHF)	(607)	(553)	(17,526)	(13,410)	(47,871)	(40,793)	(66,004)	(54,756)
Euro (EUR)	(1,737)	(2,263)	(57,272)	(26,342)	(167,377)	(100,979)	(226,386)	(129,584)
Great British Pound (GBP)	(477)	(193)	(5,073)	(4,921)	(59,346)	(92,829)	(64,895)	(97,943)
Swedish Krona (SEK)	(587)	(110)	(8,998)	(5,374)	(29,334)	(19,630)	(38,919)	(25,115)
Norwegian Krona (NOK)	(242)	(269)	(5,266)	(5,832)	(13,254)	(14,664)	(18,761)	(20,765)
Japanese Yen (JPY)	(41)	(2,556)	(31,685)	(31,766)	(110,229)	(97,977)	(141,955)	(132,299)
Hong Kong Dollar (HKD)	(194)	(162)	(7,289)	(2,569)	(41,865)	(5,551)	(49,348)	(8,281)
Singapore Dollar (SGD)	-	-	(762)	(690)	(9,887)	(2,294)	(10,649)	(2,984)
United States Dollar (USD)	(13,145)	(20,309)	(379,847)	(267,466)	(1,238,900)	(793,733)	(1,631,892)	(1,081,508)
Exchange rates decreased by 5%								
Australian Dollar (AUD)	1,238	11,167	2,751	136,143	14,501	393,362	18,489	540,673
Canadian Dollar (CAD)	425	386	10,395	9,535	33,661	35,940	44,482	45,862
Danish Krona (DKK)	9	7	99	70	354	260	462	337
Swiss Franc (CHF)	671	611	19,371	14,822	52,910	45,087	72,952	60,520
Euro (EUR)	1,920	2,502	63,301	29,114	184,995	111,609	250,216	143,225
Great British Pound (GBP)	527	213	5,607	5,439	65,593	102,600	71,727	108,253
Swedish Krona (SEK)	649	121	9,945	5,940	32,422	21,697	43,016	27,758
Norwegian Krona (NOK)	267	298	5,820	6,446	16,649	16,208	20,736	22,951
Japanese Yen (JPY)	46	2,825	35,021	35,110	121,832	108,290	156,898	146,225
Hong Kong Dollar (HKD)	214	179	8,056	2,839	46,272	6,135	54,542	9,152
Singapore Dollar (SGD)	-	-	842	763	10,928	2,536	11,770	3,297
United States Dollar (USD)	14,529	22,447	419,831	295,620	1,369,311	877,284	1,803,670	1,195,351

Notes to the Financial Statements

7. Financial Risk Management (continued)

7.1.1 Market risk (continued)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial instruments which potentially subject the Scheme to interest rate risk are cash and cash equivalents, overdraft cash balances with broker, fixed interest securities, term deposits and loans.

Instrument maturities, based on contractual maturity dates, are presented in the table below:

\$ As at 31 March	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	2023	2022	2023	2022	2023	2022	2023	2022
<i>Financial assets at amortised cost</i>								
Cash and cash equivalents	3,610,546	1,974,906	8,045,836	6,515,626	18,666,180	7,401,226	30,322,562	15,891,758
Term deposits								
0 - 1 year	205,272	1,223,314	-	3,296,161	-	5,079,973	205,272	9,599,448
Loans								
0 - 1 year	-	187,885	-	685,227	-	1,105,205	-	1,978,317
<i>Financial assets at fair value through profit or loss</i>								
Fixed interest securities								
0 - 1 year	1,503,874	466,088	2,346,920	513,608	1,046,132	102,754	4,896,926	1,082,450
1 - 2 years	1,230,458	510,895	2,230,651	510,895	1,700,284	510,895	5,161,393	1,532,685
2 - 5 years	3,528,500	1,885,979	9,378,478	3,781,975	11,972,327	6,776,317	24,879,305	12,444,271
Over 5 years	583,740	114,025	1,832,098	296,464	1,362,057	328,392	3,777,895	738,881

a) Cash flow sensitivity analysis

A change in interest rates impacts the cash flow of the Funds' cash and cash equivalents, net of overdrawn cash balances with brokers, loans and term deposits by increasing or decreasing the amount of interest received. A variable of 10 basis points (0.1%) was selected as this is a reasonably expected movement based on past overnight cash rate movements. The one year cash flow sensitivity to a 10 basis points movement in interest rates (based on assets held at reporting date), with all other variables held constant, is shown in the following table:

\$ As at 31 March	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Cash and cash equivalents								
Carrying value	3,610,546	1,974,906	8,045,836	6,515,626	18,666,180	7,401,226	30,322,562	15,891,758
Increase of 0.1%	3,611	1,975	8,046	6,516	18,666	7,401	30,323	15,892
Decrease of 0.1%	(3,611)	(1,975)	(8,046)	(6,516)	(18,666)	(7,401)	(30,323)	(15,892)
Term deposits								
Carrying value	205,272	1,223,314	-	3,296,161	-	5,063,085	205,272	9,582,560
Increase of 0.1%	159	168	-	626	-	1,101	159	1,895
Decrease of 0.1%	(159)	(168)	-	(626)	-	(1,101)	(159)	(1,895)
Loans								
Carrying value	-	187,885	-	685,227	-	1,105,205	-	1,978,317
Increase of 0.1%	-	188	-	685	-	1,105	-	1,978
Decrease of 0.1%	-	(188)	-	(685)	-	(1,105)	-	(1,978)

The above analysis is based on the short term deposit balances maturing within 1 year from balance date. The cash flow interest risk impact on term deposits where the maturity dates are more than 1 year after the balance date, are not considered to be significant.

b) Fair value interest rate risk

A change in interest rates impacts the fair value of the Funds' fixed interest securities. Fair value changes impact on net (loss)/profit, or unitholders' funds, only where the instruments are carried at fair value. A variable of 10 basis points (0.1%) was selected as this is a reasonably expected movement based on historical movements. The following table shows the impact on fair values to reasonably possible changes in interest rates at 31 March with all other variables held constant.

\$ As at 31 March	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Fixed interest securities								
Carrying amount	6,846,572	3,180,187	15,788,147	5,102,942	16,080,800	7,718,358	38,715,519	16,001,487
Increase of 0.1%	(7,538)	(9,136)	(20,956)	(16,705)	(24,492)	(27,091)	(52,985)	(52,933)
Decrease of 0.1%	7,813	9,537	21,795	17,513	25,416	28,368	55,024	55,419

Notes to the Financial Statements

7. Financial Risk Management (continued)

7.1.2 Credit risk

Credit risk is the potential risk of financial loss resulting from the failure of counterparties to honour fully the terms and conditions of a contract with the Funds of the Scheme. The Scheme may require collateral or other security to support financial instruments with credit risk. Financial instruments that subject the Scheme to credit risk consist primarily of cash equivalents, term deposits and trade and other receivables including amounts receivable for unsettled investment trades, dividends receivable and contributions receivable.

The Manager's policy is to invest in term deposits with counterparties of credit rating of BBB/Baa or higher and in fixed interest securities at least 90% of the allocation with counterparties of credit rating of BBB- designated by a well-known rating agency. The Scheme may also invest in unrated assets where a rating is assigned by the Manager using an approach that is consistent with the approach used by a rating agency.

(a) Credit quality

The following table sets out the equivalent Standard & Poor's credit rating for cash and cash equivalents, fixed interest securities, term deposits and loans. Where Standard & Poor's credit rating is not available, the Manager's internal rating is applied. Note the Manager's internal rating for CORT and WLB II are BBB.

\$		Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
		2023	2022	2023	2022	2023	2022	2023	2022
Credit rating									
Cash and cash equivalents									
Rating Category	A+	61,597	61,933	108,441	63,262	380,604	140,609	550,642	265,804
Rating Category	AA-	3,353,204	1,654,773	7,578,775	6,116,010	17,579,635	6,574,031	28,511,614	14,344,814
Rating Category	BBB+	195,745	258,200	358,620	336,354	705,941	686,586	1,260,306	1,281,140
Term deposits									
Rating Category	AA-	205,272	1,223,314	-	3,296,161	-	5,063,085	205,272	9,582,560
Fixed interest securities									
Rating Category	AAA	679,733	453,679	2,218,758	884,205	1,733,094	1,293,795	4,631,585	2,631,679
Rating Category	AA	913,502	634,003	2,203,137	722,762	1,604,057	1,175,082	4,720,696	2,531,847
Rating Category	AA-	1,045,164	338,090	2,157,518	338,089	2,455,087	531,284	5,657,769	1,207,463
Rating Category	A-	1,017,214	981,914	1,945,653	1,797,170	1,680,074	667,898	4,642,941	3,446,982
Rating Category	BBB+	1,256,013	636,030	1,452,585	987,167	1,550,750	786,063	4,259,348	2,409,260
Rating Category	BBB	294,044	679,866	902,606	908,261	353,714	869,258	1,550,364	2,457,385
Rating Category	Not rated	1,640,902	864,912	4,907,890	2,192,802	6,704,024	4,267,929	13,252,816	7,325,643
Loans									
Rating Category	Not rated	-	187,885	-	685,227	-	1,105,205	-	1,978,317

As at 31 March 2023, there were no financial assets past due or impaired.

All receivables including amounts due from brokers are held by parties which Management considers having a strong capacity to meet their contractual obligations in the near term.

The maximum credit risk of financial instruments is considered to be the carrying amount on the Statements of Net Assets. There is a risk of non-recovery. In accordance with the Scheme's policy, the investment manager monitors the Funds of the Scheme's credit positions on a continuous basis. The compliance team reviews it weekly. The risk management process is reviewed by the Ethics and Investment Committee reviews it on a regular basis.

The Scheme's Manager measures credit risk and expected credit losses using the probability of default, exposure at default and loss given default.

At balance date, the credit risk has not increased significantly for any of the financial assets at amortised cost since initial recognition. As a result, the Manager measured the loss allowance at an amount equal to 12 month expected credit losses. Management, depending on the nature and type of financial assets at amortised cost, considers both the historical and forward looking information, the liquidity and duration of the instrument, and the credit ratings of the counterparty in determining any expected credit losses.

As at 31 March 2023:

Cash and term deposits and any interest accruals on any of these instruments included in receivables, are highly liquid and held with counterparties with strong credit ratings. The duration of the term deposits are all less than 12 months and the Manager has no historical information or forward looking information which suggests there are any losses to be recognised. There were no loans outstanding as at balance date (31 March 2022: all due within 12 months from balance date). The Manager assessed the loan balances applying the forward looking basis as described in note 2.11 at balance and is satisfied that there was no evidence of any expected credit losses.

The Manager therefore considers the expected credit losses for all the financial assets at amortised cost held by the Scheme, to be close to zero. As a result no loss allowance has been recognised based on the 12-month expected credit losses as any such impairment would be wholly insignificant to the Funds.

7.1.3 Liquidity risk

Liquidity risk is the risk that the Scheme will experience difficulty in either realising assets or otherwise raising sufficient funds to satisfy commitments associated with financial instruments. Liquidity risk is managed by holding liquid investments to enable the Scheme to meet liabilities as they fall due and withdrawals when requested. Where the Funds of the Scheme invests in other funds, they in turn, maintain sufficient liquidity in their portfolios to cover reasonably foreseeable redemptions under normal market conditions. The Scheme also holds securities that are listed on the NZX, ASX or other internationally recognised exchanges and are saleable. Monies received from member contributions may be used to offset withdrawals and the Manager may in certain circumstances suspend withdrawals from the Scheme and or various funds represented by the Manager in which the Scheme invests.

The Scheme's Statement of Investment Policies and Objectives ("the SIPO") state the target allocations and permitted ranges of asset classes. The Scheme's financial liabilities consist of trade and other payables and derivatives (forward foreign exchange contracts) which are short term in nature and classified as a current liability at reporting date. Current liabilities of financial derivative instruments consist of the fair value of forward foreign exchange contracts at balance date. The current fair value represents the estimated cash flow that may be required to dispose of the positions. Future cash flows of the Scheme and realised liabilities may differ from current liabilities based on future changes in market conditions.

Notes to the Financial Statements

7. Financial Risk Management (continued)

7.1.3 Liquidity risk (continued)

The table below shows the remaining undiscounted contractual cash flows over their respective maturities for the Funds' financial liabilities:

\$ As at 31 March	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Financial liabilities at fair value through profit or loss								
1 month to 6 months	-	(772)	-	(12,112)	-	(34,240)	-	(47,124)
Trade and other payables								
Less than 7 days	(1,905)	(763)	(113,121)	(35,806)	(444,414)	(164,115)	(555,623)	(200,685)
Related party payables								
Less than 2 months	(9,630)	(7,015)	(54,057)	(40,700)	(161,677)	(108,461)	(225,364)	(156,176)

The required cash outflow to settle the forward exchange contracts and futures which are in a loss position at balance date as disclosed in Note 3, will be the fair value as at balance date, if it was settled on that date. It is expected that the actual future undiscounted cash flows will be different, given that the instrument is marked to market. All the open currency contracts which are in a loss position at balance date, matured within 1 month after balance date.

7.2 Capital risk management

Net assets available to pay benefits are considered to be each Fund's capital for the purposes of capital management notwithstanding net assets available to pay benefits is classified as a liability for accounting. The Scheme does not have to comply with externally imposed capital requirements. The Scheme's objectives when managing of each Fund are to safeguard its ability to continue as a going concern in order to provide returns to its members and maximise the Scheme's members' values as well as ensuring its net assets available to pay benefits are sufficient to meet all present and future obligations. In order to meet its objectives for capital management the Funds' management monitors the Scheme's performance on a regular basis.

8. Related parties

8.1 General

Pathfinder Asset Management Limited is the Manager of the Scheme. The Supervisor of the Scheme is Public Trust. Alvarium (NZ) Wealth Management Holdings Limited owns 100 percent of the shares of the Manager. Alvarium (NZ) Wealth Management Holdings Limited is ultimately owned by AINZ Holdings Limited, a joint venture between Andrew Williams, Gough Investments Limited, and Hive Gold Limited. Alvarium (NZ) Wealth Management Holdings Limited also wholly owns Alvarium Wealth (NZ) Limited.

Details of the Scheme's transactions with these related parties are described below.

8.2 Related party fees

Membership fees of \$2.25 per month is deducted from each member by way of unit redemption and is payable to the Manager. This is accounted for as a withdrawal and does not impact net profit before membership activities. During the period, administration fees paid to the Manager totalled \$153,619 (31 March 2022: \$89,674). Apex Investment Administration (NZ) Limited maintain the members' accounts and register of the Scheme and receives a fee for this service, paid by the Manager. The Manager waived the member fees for all members under 18 or account balances under \$1,000.

The Manager also charged an annual management fee based on the Gross Asset Value of each of the respective Funds:

- Conservative Fund: 0.80% (2022: 0.80%)
- Balanced Fund: 1.10% (2022: 1.10%)
- Growth Fund: 1.25% (2022: 1.25%)

\$ 31 March	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Management fees	100,138	64,779	568,292	353,180	1,627,260	978,997	2,295,690	1,396,956
Management fees payable	9,630	7,015	54,057	40,700	161,677	108,461	225,364	156,176

The management fees are used to cover expenses including audit fees, supervisor fees and administration fees of the Funds which are paid for by the Manager on behalf of the Scheme.

Management fees charged to the Alvarium Private Credit Fund by Alvarium Wealth (NZ) Limited, and management fee charged to the Pathfinder Green Bond Fund and Pathfinder Responsible Investment Fund are included in the net gains or losses received on the investments in each Fund that is held by the Funds. The Pathfinder Wholesale Trans-Tasman Fund do not charge fees. The table below provides the management fees component included in the gains and losses on these investments.

\$ 31 March	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Alvarium Wealth (NZ) Limited indirect via investments in Alvarium Private Credit Fund	3,227	6,839	13,792	25,858	43,531	62,916	60,550	95,613
Pathfinder Asset Management Limited via Pathfinder Responsible Investment Fund	1,379	-	668	-	5,564	-	7,610	-
Pathfinder Asset Management Limited via Pathfinder Global Green Bond Fund	296	-	1,184	-	2,458	-	3,938	-

The Funds also received rebates as a result of the investment holdings Alvarium Private Credit Fund which is disclosed below.

\$ For the year ended 31 March	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Alvarium Wealth (NZ) Limited	5,963	2,340	6,488	8,618	44,482	20,924	56,933	31,882

Notes to the Financial Statements

8. Related parties (continued)

8.2 Related party fees (continued)

The Supervisor of the Scheme is Public Trust. The Supervisor is entitled to receive a fee from the Manager for supervisory services. The Manager paid the following supervisory fees on behalf of the Scheme for the year ended 31 March:

\$	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	2023	2022	2023	2022	2023	2022	2023	2022
For the year ended 31 March								
Supervisory fees:								
Public Trust	6,734	4,460	27,787	17,683	70,001	43,110	104,522	65,253

The Manager paid and/or accrued for the following audit fees (presented GST exclusive) on behalf of the Scheme for the year ended 31 March:

\$		
	2023	2022
For the year ended 31 March		
Ernst and Young	27,000	27,000

The Management fees disclosed in the Statements of Changes in Net Assets are reported net of any rebates that arise due to the Funds investing in other funds.

8.3 Investments in the Scheme by related parties

Holdings in the Funds by Directors and key management personnel of the Manager and their immediate family members that are directly or indirectly held:

\$	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	2023	2022	2023	2022	2023	2022	2023	2022
As at 31 March								
Holdings	0%	1%	0%	1%	1%	3%	0%	2%

8.4 Investments by the Scheme in related parties

Each Fund invests in the following related parties transactions. Pathfinder considers section 174(a) of the Financial Markets Conduct Act 2013 applies to the following transactions on the basis that a prudently sized exposure to high quality private assets are in the best interests of the investors and the transactions are made on at least the same terms as other third party investors. The nature of the related party relationships are summarised below:

Each Fund invests in the Pathfinder Responsible Investment Fund and the Pathfinder Wholesale Ethical Trans-Tasman Fund, which are wholesale funds managed by Pathfinder. Pathfinder do not charge management fee for the investment to the Pathfinder Wholesale Ethical Trans-Tasman Fund.

Each Fund invests in the Pathfinder Green Bond Fund for which the Manager partnered with London-based Affirmative Investment Management Partners Limited to act as an investment manager.

Alvarium Private Credit Fund is a wholesale fund managed by Alvarium Wealth (NZ) Limited which predominantly invests in senior loans organised or arranged by Alvarium affiliates. Alvarium Wealth (NZ) Limited and its affiliates are related to Pathfinder through common directors and common shareholding. These loans may themselves be related party transactions. Alvarium Wealth (NZ) Limited rebates a portion of its management fees to each Fund. The Funds' investment to Alvarium Private Credit Fund was fully redeemed in October 2022.

The following table shows the value of investments by the Scheme in related parties at balance date:

\$	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	2023	2022	2023	2022	2023	2022	2023	2022
As at 31 March								
Pathfinder Responsible Investment Fund	1,370,588	-	614,707	-	5,122,556	-	7,107,851	-
Pathfinder Green Bond Fund	1,004,927	-	4,019,708	-	7,726,332	-	12,750,967	-
Pathfinder Wholesale Ethical Trans-Tasman Fund	701,998	-	9,915,457	-	36,471,287	-	47,088,742	-
Alvarium Private Credit Fund	-	475,273	-	1,968,749	-	4,803,183	-	7,247,206
LJ Fund 6 Loan 15% 19 Jul 2022	-	170,000	-	620,000	-	1,000,000	-	1,790,000
Total	3,077,513	645,273	14,549,872	2,588,749	49,320,175	5,803,183	66,947,560	9,037,206

The following table shows the income earned by the Funds from their investments in related parties in the year ended at balance date:

\$	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	2023	2022	2023	2022	2023	2022	2023	2022
For the year ended 31 March								
Pathfinder Responsible Investment Fund	20,588	-	14,707	-	122,556	-	157,851	-
Pathfinder Global Green Bond Fund	4,927	-	19,708	-	26,332	-	50,967	-
Pathfinder Wholesale Ethical Trans-Tasman Fund	12,610	-	178,109	-	562,140	-	752,859	-
Alvarium Private Credit Fund	17,450	33,467	74,754	122,918	249,859	298,792	342,063	455,177
BR Land Co (Bremner) 10% 28 Feb 2022 extended to 18 March 2022	-	8,566	-	34,449	-	53,352	-	96,367
LJ Fund 6 Loan 15% 19 Jul 2022	4,890	17,885	17,835	65,227	28,766	105,205	51,491	188,317
Total income earned by the Funds from investments in related parties	60,465	59,918	305,113	222,594	989,653	457,349	1,355,231	739,862

8.5 Interfund receivables and payables

\$	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	2023	2022	2023	2022	2023	2022	2023	2022
As at 31 March								
Contributions receivable	71	15	132	21	3,614	6,383	-	-
Redemptions payable	(178)	(16)	(3,568)	(6,381)	(71)	(22)	-	-

The table above represents related party contributions receivable and redemptions payable pertaining to unsettled interfund switches at balance date. The amounts are included in the Contributions receivable and Redemptions payable balances in notes 9 and 10 respectively.

8.6 In-specie transfers

On 27 March 2023, the Pathfinder KiwiSaver Conservative Fund, Pathfinder KiwiSaver Balanced Fund and Pathfinder KiwiSaver Growth Fund purchased 741,756 units, 10,477,026 units and 37,238,161 totalling \$689,388, \$9,737,348 and \$34,609,147, respectively, in the Pathfinder Wholesale Ethical Trans-Tasman Fund which were settled via an in specie transfer of listed equities.

Notes to the Financial Statements

9. Receivables

\$ As at 31 March	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Accrued interest	12,945	5,802	13,608	18,481	21,533	25,916	48,086	50,199
Dividends and distributions receivable	2,862	10,203	56,048	84,794	197,591	237,326	256,501	332,323
Unsettled investment trades	-	-	91,020	-	294,928	-	385,948	-
Contributions receivable	56,772	13,057	136,457	663,878	549,343	1,004,028	738,755	1,674,544
Total trade and other receivables	72,579	29,062	297,133	767,153	1,063,395	1,267,270	1,429,290	2,057,066

10. Trade and other payables

\$ As at 31 March	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Redemptions payable	1,905	763	22,101	35,806	149,486	71,237	169,675	101,388
Unsettled investment trades	-	-	91,020	-	294,928	92,878	385,948	92,878
Total trade and other payables	1,905	763	113,121	35,806	444,414	164,115	555,623	194,266

11. Payables to related parties

\$ As at 31 March	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Management fees payable	9,630	7,015	54,057	40,700	161,677	108,461	225,364	156,176
Total trade and other payables to related parties	9,630	7,015	54,057	40,700	161,677	108,461	225,364	156,176

12. Interest income/expense

\$ For the year ended 31 March	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Interest income on financial assets at amortised cost	66,359	48,053	164,160	149,678	357,667	238,752	588,187	436,483
Interest income on financial assets as fair value through profit or loss	245,258	76,995	519,048	126,937	469,958	166,591	1,234,263	370,523
Interest expense on financial liabilities at amortised cost	(1,320)	(492)	(9,608)	(4,944)	(35,839)	(15,827)	(46,767)	(21,263)
	310,297	124,556	673,600	271,671	791,786	389,516	1,775,683	785,743

13. Units on Issue

Units For the year ended	Conservative Fund		Balanced Fund		Growth Fund	
	2023	2022	2023	2022	2023	2022
Units on issue at the start of the year	9,280,381	5,725,053	36,208,984	16,318,654	75,794,114	36,144,888
Total contributions for the year	8,440,266	6,994,421	15,752,826	22,063,257	42,715,272	41,989,774
Total withdrawals for the year	(4,804,309)	(3,439,094)	(3,856,003)	(2,172,927)	(4,457,336)	(2,340,549)
Units on issue at the end of the year	12,916,338	9,280,381	48,105,807	36,208,984	114,052,050	75,794,114

Notes to the Financial Statements

14. Reconciliation of operating (loss)/profit to net cash outflow from operating activities

\$ For the year ended 31 March	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Net profit/(loss) after tax and before membership activities	78,544	72,388	(499,982)	992,245	(1,715,542)	2,875,135	(2,136,980)	3,939,768
Adjustments for non cash items:								
Unrealised changes in the fair value of financial instruments	184,708	40,451	(609,106)	(610,355)	(2,606,195)	(2,121,240)	(3,030,593)	(2,691,144)
Unrealised foreign exchange losses on financial instruments at amortised cost	(6,717)	852	36,056	24,836	(113,565)	96,216	(84,226)	121,904
Dividends and distributions re-invested	(21,673)	(21,642)	(92,241)	(80,267)	(218,487)	(195,047)	(332,401)	(296,956)
Other non cash income and expenses	(4,694)	(2,340)	(4,477)	(8,618)	(17,402)	(20,924)	(26,573)	(31,882)
	151,624	17,321	(669,768)	(674,404)	(2,955,649)	(2,240,995)	(3,473,793)	(2,898,078)
Movements in working capital items:								
Increase in receivables	(7,469)	(35,417)	20,934	(143,574)	(218,021)	(251,137)	(204,556)	(430,128)
Increase/(decrease) in payables	2,615	2,588	13,357	22,124	255,266	149,710	271,238	174,422
Increase in net cost of investments	(3,627,316)	(4,946,756)	(15,427,605)	(21,195,350)	(40,400,414)	(49,142,847)	(59,455,335)	(75,284,953)
Increase in term deposits	1,018,042	(16,667)	3,296,161	(1,387,744)	5,063,086	(1,548,964)	9,377,289	(2,953,375)
	(2,614,128)	(4,996,252)	(12,097,153)	(22,704,544)	(35,300,083)	(50,793,238)	(50,011,364)	(78,494,034)
Net cash outflow from operating activities	(2,383,960)	(4,906,543)	(13,266,903)	(22,386,703)	(39,971,274)	(50,159,098)	(55,622,137)	(77,452,344)

15. Commitments and contingent liabilities

The Scheme made a total commitment of 2 million units at \$1 in Property Income Fund Limited (Willis Bond). The Manager valuation for the private equity was \$0.765 per unit for the year ended 31 March 2023 (31 March 2022: \$0.96 per unit) based on NZX NPF (New Zealand Property ETF) price over time. At balance sheet date, the Scheme unitholding in Property Income Fund Limited totalled 723,600 units, with total capital called to date of \$723,600 (31 March 2022: 615,600 units, with total capital called to date of \$615,600). At 31 March 2023, the undrawn capital commitment totalled \$1,276,400 (31 March 2022: \$1,384,400). There are no other material commitments or contingencies as at 31 March 2023 (31 March 2022: none).

16. Events occurring after balance date

There have been no significant events that have occurred since balance date which would impact on the financial position of the Scheme disclosed in the Statements of Net Assets as at 31 March 2023 or on the results and cash flows of the Scheme for the year ended on that date.

Independent auditor's report to the Members of Pathfinder Kiwisaver Plan

Opinion

We have audited the financial statements of Pathfinder KiwiSaver Plan ("the Plan") and the Conservative Fund, Balanced Fund and Growth Fund (each a "Fund" and collectively the "Funds", being the Funds comprising the Plan) on pages 3 to 24, which comprise the statement of net assets of each Fund and the Plan as at 31 March 2023, and the statement of changes in net assets and statement of cash flows for the year then ended of each Fund and the Plan, and the notes to the financial statements including a summary of significant accounting policies.

In our opinion, the financial statements on pages 3 to 24 present fairly, in all material respects, the financial position of each Fund and the Plan as at 31 March 2023 and their financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

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

Basis for opinion

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

We are independent of the of the Plan 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 we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Other than in our capacity as auditor we have no relationship with, or interest in, the Funds. Partners and employees of our firm may deal with the Plan on normal terms within the ordinary course of trading activities of the business of the Plan.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of the audit report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including

the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Financial assets at fair value through profit or loss

Why significant	How our audit addressed the key audit matter
<ul style="list-style-type: none"> ▶ Each Fund's and the Plan's financial assets at FVTPL (being investments) comprise a significant portion of the respective Fund's and the Plan's total assets. ▶ Market volatility can have a significant impact on the value of these financial assets. Therefore, the recognition and measurement of these investments is considered a key area of audit focus. As detailed in the Plan's accounting policies investments are recognised at fair value in accordance with NZ IAS 26: <i>Accounting and Reporting by Retirement Benefit Plans</i>. ▶ Disclosures regarding each Fund's and the Plan's financial assets at FVTPL are included in Notes 3 to 7 to the financial statements. 	<p>Our procedures included:</p> <ul style="list-style-type: none"> ▶ Gaining an understanding of the processes used to record investment transactions and to value the portfolio. As the Administrator and Custodian (which are both external parties) are involved in the management of the investments, this included evaluating the service organisation reports issued by independent auditors on the design and operation of the controls within the Administrator and Custodian. Our procedures focussed on the nature and significance of services provided by these service organisations, the relevant internal controls and the implications of any identified control deficiencies relevant to our audit of the financial statements. ▶ For a sample of investments held directly by each Fund and the Plan, obtained confirmation directly from the Custodian, Sub-Custodian or counterparty of the investment held. ▶ For a sample of investments as at 31 March 2023, undertook the following to assess the recorded fair value: <ul style="list-style-type: none"> ▶ Where the price is quoted or otherwise observable, agreed the valuation to independent sources; ▶ Where we audit the investee fund, performed audit procedures over a sample of its investments to provide evidence of the net asset value per unit of the respective unlisted fund. We also considered the results of our audit work for those funds and assessed any impact on the fund's valuation; ▶ In relation to unlisted debt instruments, assessed the significant unobservable inputs used by management in its valuation; ▶ In relation to unlisted equity investments, engaged our internal valuation specialists to assess the methodology and

Why significant	How our audit addressed the key audit matter
	<p>assumptions used by management to estimate its value.</p> <ul style="list-style-type: none"> ▶ Assessing whether the disclosures in the financial statements, including whether they appropriately reflected each Fund's and the Plan's exposure to financial instrument risk with reference to NZ IFRS 7 <i>Financial Instruments: Disclosures</i>.

Information other than the financial statements and auditor's report

The Manager of the Plan is responsible for the annual report, which includes information other than the financial statements and auditor's report.

Our opinion on the financial statements does not cover the 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 during the audit, or otherwise appears to be materially misstated.

If, based upon 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.

Directors' responsibilities for the financial statements

The Manager of the Plan is responsible for the preparation and fair presentation of the financial statements in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing on behalf of the Funds and the Plan, the Funds and the Plan's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Funds or Plan or cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (New Zealand) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



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A further description of the auditor's responsibilities for the audit of the financial statements is located at the External Reporting Board's website: <https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-2/>. This description forms part of our auditor's report.

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

Ernst + Young

Chartered Accountants
Auckland
31 July 2023