



Mercer KiwiSaver scheme

Financial Statements

For the year ended 31 March 2024



MERCER KIWISAVER SCHEME
Financial Statements
For the Year Ended 31 March 2024

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MERCER KIWISAVER SCHEME

Directory

For the year ended 31 March 2024

Manager: Mercer (N.Z.) Limited

Registered Office

Level 11, PwC Tower, 15 Customs Street West
Auckland 1010

Investor and Advisor Enquiries

PO Box 1849
Wellington 6140
Website: mercerfinancialservices.co.nz
Helpline: 0508 637 237

Directors:

David Clifford Bryant (Ceased 16 November 2023)
Ross Gregory Butler (Appointed and Chair from 14 April 2023)
Catherine Maree Hales (Appointed 16 November 2023)
Paula Elizabeth Jackson
Kristen Jane Kohere-Soutar (Chair to 13 April 2023)
Martin Paul Lewington
Emily Jane O'Brien (Ceased 16 November 2023)

Supervisor: Trustees Executors Limited
Level 9, Spark Central, 42-52 Willis Street
Wellington 6011

Custodians: BNP Paribas Fund Services Australasia Pty Ltd
Level 18, Aon Centre
1 Willis Street
Wellington 6011

Trustees Executors Limited
Level 9, Spark Central, 42-52 Willis Street
Wellington 6011

Auditor: PricewaterhouseCoopers
PwC Centre, 10 Waterloo Quay
PO Box 243
Wellington 6140

MERCER KIWISAVER SCHEME
Statements of Net Assets
As at 31 March 2024


	Note	TOTAL		Sustainable Conservative		Sustainable Plus Balanced		Sustainable Plus High Growth	
		2024	2023	2024	2023	2024	2023	2024	2023
		\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
ASSETS									
Cash and cash equivalents		15,217	18,555	1,281	3,019	3,645	3,937	5,221	4,629
Financial assets at fair value through profit or loss	5	2,324,369	2,082,456	768,324	723,087	617,005	552,964	362,706	301,075
Portfolio investment entity tax receivable		-	10,876	-	3,225	-	3,279	-	1,883
Investment management fees receivable	6	705	415	-	-	311	191	181	105
Other receivables	6	4,274	100	3,106	100	32	-	16	-
Total Assets		2,344,565	2,112,402	772,711	729,431	620,993	560,371	368,124	307,692
LIABILITIES									
Unsettled trades	6	1,250	-	-	-	-	-	-	-
Unallocated contributions		1,618	887	529	365	332	199	348	121
Benefits payable		2,591	1,665	1,179	743	591	470	152	79
Investment management fees payable	6	-	-	21	25	-	-	-	-
Supervisor fees payable	6	57	55	19	19	15	15	9	8
Portfolio investment entity tax payable		15,866	-	9,473	-	2,797	-	700	-
Manager fees (expense recoveries) payable	6	60	256	19	89	16	68	10	37
Total Liabilities (excluding net assets attributable to members)		21,442	2,863	11,240	1,241	3,751	752	1,219	245
NET ASSETS ATTRIBUTABLE TO MEMBERS	4	2,323,123	2,109,539	761,471	728,190	617,242	559,619	366,905	307,447
Represented by:									
Net assets available for benefits	4	2,323,123	2,109,539	761,471	728,190	617,242	559,619	366,905	307,447


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

MERCER KIWISAVER SCHEME
Statements of Net Assets
As at 31 March 2024

	Note	Cash		Sustainable Plus Moderate		Sustainable Plus Growth		Sustainable Plus Shares	
		2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
ASSETS									
Cash and cash equivalents		776	224	571	2,463	2,754	3,821	969	462
Financial assets at fair value through profit or loss	5	34,457	35,323	231,279	212,575	249,126	209,507	61,472	47,925
Portfolio investment entity tax receivable		-	-	-	955	-	1,362	-	400
Investment management fees receivable	6	2	3	112	71	125	74	-	-
Other receivables	6	4	-	271	-	17	-	828	-
Total Assets		35,239	35,550	232,233	216,064	252,022	214,764	63,269	48,787
LIABILITIES									
Unsettled Trades	6	-	-	-	-	-	-	1,250	-
Unallocated contributions		29	10	187	80	155	91	38	21
Benefits payable		191	29	234	150	185	191	59	3
Investment management fees payable	6	-	-	-	-	-	-	5	4
Supervisor fees payable	6	1	1	6	6	6	5	1	1
Portfolio investment entity tax payable		465	228	1,526	-	857	-	48	-
Manager fees (expense recoveries) payable	6	-	4	6	26	7	26	2	6
Total Liabilities (excluding net assets attributable to members)		686	272	1,959	262	1,210	313	1,403	35
NET ASSETS ATTRIBUTABLE TO MEMBERS	4	34,553	35,278	230,274	215,802	250,812	214,451	61,866	48,752
Represented by:									
Net assets available for benefits	4	34,553	35,278	230,274	215,802	250,812	214,451	61,866	48,752

These Financial Statements were authorised for issue by Mercer (N.Z.) Limited, the Manager on 16 July 2024.
 For and on behalf of the Directors

Signed by:

 DAAB2378F1274D6...

DocuSigned by:

 998E8C4EE7804EE...
 Director

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

MERCER KIWISAVER SCHEME
Statements of Changes in Net Assets
For the year ended 31 March 2024

	Note	TOTAL		Sustainable Conservative		Sustainable Plus Balanced		Sustainable Plus High Growth	
		2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
INCOME									
Interest income		551	216	182	75	146	57	86	31
Net gains/(losses) on financial assets at fair value through profit or loss	6	207,787	(62,682)	49,714	(15,939)	55,942	(19,584)	46,482	(12,059)
Investment management fee rebates	6	2,657	1,774	-	-	1,191	1,117	676	235
Total Income		210,995	(60,692)	49,896	(15,864)	57,279	(18,410)	47,244	(11,793)
EXPENSES									
Investment management fees	6	-	-	96	141	-	-	-	-
Supervisor fees	6	218	214	74	75	57	57	33	31
Manager fees (expense recoveries)	6	406	544	136	189	108	144	62	80
Other expenses		4	2	2	1	-	1	1	-
Total Expenses		628	760	308	406	165	202	96	111
NET PROFIT/(LOSS) BEFORE MEMBERSHIP ACTIVITIES		210,367	(61,452)	49,588	(16,270)	57,114	(18,612)	47,148	(11,904)
MEMBERSHIP ACTIVITIES:									
Contributions / Transfers In									
Member contributions		128,102	130,501	47,913	50,768	31,206	30,352	18,244	18,352
Employer contributions		61,660	62,863	24,467	26,054	14,621	14,139	8,330	8,294
Manager Contribution	6	2,079	-	1,986	-	32	-	16	-
Tax credits		16,315	17,121	7,391	7,990	3,317	3,342	1,957	1,960
Transfers in from other schemes	8	7,034	7,408	1,569	2,239	3,273	3,395	759	986
Transfers (from)/to funds		-	-	(16,694)	(9,688)	(3,192)	(5,385)	7,986	4,217
Total Contributions/Transfers In		215,190	217,893	66,632	77,363	49,257	45,843	37,292	33,809
Benefits/Transfers Out/Membership Expenses/Tax									
Benefits	7	(103,621)	(91,215)	(47,158)	(45,239)	(22,932)	(16,363)	(6,145)	(4,636)
Transfers out to other schemes		(92,261)	(57,607)	(26,234)	(17,262)	(22,959)	(14,617)	(18,102)	(9,879)
Portfolio investment entity taxation (expense)/rebate		(16,091)	11,511	(9,547)	3,473	(2,857)	3,440	(735)	1,966
Total Benefits/Transfers Out/Membership Expenses/Tax		(211,973)	(137,311)	(82,939)	(59,028)	(48,748)	(27,540)	(24,982)	(12,549)
Total transactions with members in their capacity as members		3,217	80,582	(16,307)	18,335	509	18,303	12,310	21,260
NET INCREASE/(DECREASE) IN NET ASSETS DURING THE YEAR		213,584	19,130	33,281	2,065	57,623	(309)	59,458	9,356
NET ASSETS ATTRIBUTABLE TO MEMBERS AT THE BEGINNING OF THE FINANCIAL YEAR		2,109,539	2,090,409	728,190	726,125	559,619	559,928	307,447	298,091
NET ASSETS ATTRIBUTABLE TO MEMBERS AT THE END OF THE FINANCIAL YEAR		2,323,123	2,109,539	761,471	728,190	617,242	559,619	366,905	307,447

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

MERCER KIWISAVER SCHEME
Statements of Changes in Net Assets
For the year ended 31 March 2024

	Note	Cash		Sustainable Plus Moderate		Sustainable Plus Growth		Sustainable Plus Shares	
		2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
INCOME									
Interest income		8	4	55	22	59	22	15	5
Net gains/(losses) on financial assets at fair value through profit or loss	6	1,905	1,009	16,797	(5,601)	28,161	(8,457)	8,786	(2,051)
Investment management fee rebates	6	5	6	434	158	467	423	-	-
Total Income		1,918	1,019	17,286	(5,421)	28,687	(8,012)	8,801	(2,046)
EXPENSES									
Investment management fees	6	-	-	-	-	-	-	20	24
Supervisor fees	6	4	3	22	22	23	21	5	5
Manager fees (expense recoveries)	6	6	9	41	55	43	55	10	12
Other expenses		-	-	-	-	-	-	1	-
Total Expenses		10	12	63	77	66	76	36	41
NET PROFIT/(LOSS) BEFORE MEMBERSHIP ACTIVITIES		1,908	1,007	17,223	(5,498)	28,621	(8,088)	8,765	(2,087)
MEMBERSHIP ACTIVITIES:									
Contributions / Transfers In									
Member contributions		1,617	1,632	12,367	12,602	13,307	13,429	3,448	3,366
Employer contributions		796	764	5,604	5,792	6,152	6,152	1,690	1,668
Manager Contribution	6	4	-	21	-	17	-	3	-
Tax credits		213	226	1,598	1,725	1,472	1,509	367	369
Transfers in from other schemes	8	2	51	1,004	187	371	485	56	65
Transfers (from)/to funds		4,204	12,298	581	(2,591)	4,495	729	2,620	420
Total Contributions/Transfers In		6,836	14,971	21,175	17,715	25,814	22,304	8,184	5,888
Benefits/Transfers Out/Membership Expenses/Tax									
Benefits	7	(7,524)	(8,575)	(14,666)	(11,927)	(4,597)	(3,779)	(599)	(696)
Transfers out to other schemes		(1,476)	(764)	(7,712)	(6,233)	(12,596)	(7,345)	(3,182)	(1,507)
Portfolio investment entity taxation (expense)/rebate		(469)	(236)	(1,548)	1,036	(881)	1,422	(54)	410
Total Benefits/Transfers Out/Membership Expenses/Tax		(9,469)	(9,575)	(23,926)	(17,124)	(18,074)	(9,702)	(3,835)	(1,793)
Total transactions with members in their capacity as members		(2,633)	5,396	(2,751)	591	7,740	12,602	4,349	4,095
NET INCREASE/(DECREASE) IN NET ASSETS DURING THE YEAR		(725)	6,403	14,472	(4,907)	36,361	4,514	13,114	2,008
NET ASSETS ATTRIBUTABLE TO MEMBERS AT THE BEGINNING OF THE FINANCIAL YEAR		35,278	28,875	215,802	220,709	214,451	209,937	48,752	46,744
NET ASSETS ATTRIBUTABLE TO MEMBERS AT THE END OF THE FINANCIAL YEAR		34,553	35,278	230,274	215,802	250,812	214,451	61,866	48,752

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

MERCER KIWISAVER SCHEME
Statements of Cash Flows
For the year ended 31 March 2024

	Note	TOTAL		Sustainable Conservative		Sustainable Plus Balanced		Sustainable Plus High Growth	
		2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
CASH FLOWS FROM OPERATING ACTIVITIES									
Proceeds from sale of financial assets		32,085	22,252	20,159	21,308	6,236	2,455	4,883	4,773
Interest income		551	216	182	75	146	57	86	31
Payments for purchase of financial assets		(67,057)	(91,856)	(16,702)	(40,110)	(14,335)	(19,452)	(20,032)	(22,038)
Investment management fee rebates received/(paid)		2,367	1,656	(100)	(114)	1,071	1,133	600	137
Fee and other expenses paid		(822)	(499)	(282)	(179)	(217)	(131)	(122)	(72)
NET CASH (USED IN)/FROM OPERATING ACTIVITIES	9	(32,876)	(68,231)	3,257	(19,020)	(7,099)	(15,938)	(14,585)	(17,169)
CASH FLOWS FROM FINANCING ACTIVITIES									
Member contributions		128,102	130,501	47,913	50,768	31,206	30,352	18,244	18,352
Employer contributions		61,660	62,863	24,467	26,054	14,621	14,139	8,330	8,294
Tax credits		16,315	17,121	7,391	7,990	3,317	3,342	1,957	1,960
Transfers in from other schemes		7,034	7,408	1,569	2,239	3,273	3,395	759	986
Transfers (from)/to funds		-	-	(16,694)	(9,688)	(3,192)	(5,385)	7,986	4,217
Portfolio investment entity taxation		10,651	(1,293)	3,151	3,509	3,219	(1,008)	1,848	(2,494)
Unallocated contributions		731	(279)	164	(126)	133	(51)	227	(32)
Benefits paid		(102,694)	(90,427)	(46,722)	(44,829)	(22,811)	(16,040)	(6,072)	(4,633)
Transfers out to other schemes		(92,261)	(57,607)	(26,234)	(17,262)	(22,959)	(14,617)	(18,102)	(9,879)
Administration fees		-	(108)	-	(73)	-	(14)	-	(7)
NET CASH FROM/(USED IN) FINANCING ACTIVITIES		29,538	68,179	(4,995)	18,582	6,807	14,113	15,177	16,764
Net (decrease)/increase in cash and cash equivalents		(3,338)	(52)	(1,738)	(438)	(292)	(1,825)	592	(405)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR									
		18,555	18,607	3,019	3,457	3,937	5,762	4,629	5,034
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR									
		15,217	18,555	1,281	3,019	3,645	3,937	5,221	4,629

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

MERCER KIWISAVER SCHEME
Statements of Cash Flows
For the year ended 31 March 2024

	Note	Cash		Sustainable Plus Moderate		Sustainable Plus Growth		Sustainable Plus Shares	
		2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
CASH FLOWS FROM OPERATING ACTIVITIES									
Proceeds from sale of financial assets		8,565	5,714	4,734	5,379	2,097	1,689	2,390	5,093
Interest income		8	4	55	22	59	22	15	5
Payments for purchase of financial assets		(5,795)	(11,230)	(6,891)	(3,436)	(13,555)	(11,398)	(6,726)	(8,351)
Investment management fee rebates received/(paid)		6	5	393	92	416	423	(19)	(20)
Fee and other expenses paid		(14)	(8)	(83)	(49)	(84)	(49)	(20)	(11)
NET CASH (USED IN)/FROM OPERATING ACTIVITIES	9	2,770	(5,515)	(1,792)	2,008	(11,067)	(9,313)	(4,360)	(3,284)
CASH FLOWS FROM FINANCING ACTIVITIES									
Member contributions		1,617	1,632	12,367	12,602	13,307	13,429	3,448	3,366
Employer contributions		796	764	5,604	5,792	6,152	6,152	1,690	1,668
Tax credits		213	226	1,598	1,725	1,472	1,509	367	369
Transfers in from other schemes		2	51	1,004	187	371	485	56	65
Transfers (from)/to funds		4,204	12,298	581	(2,591)	4,495	729	2,620	420
Portfolio investment entity taxation		(232)	(25)	933	240	1,338	(1,150)	394	(365)
Unallocated contributions		19	(2)	107	(42)	64	(21)	17	(5)
Benefits paid		(7,361)	(8,591)	(14,582)	(11,978)	(4,603)	(3,662)	(543)	(694)
Transfers out to other schemes		(1,476)	(764)	(7,712)	(6,233)	(12,596)	(7,345)	(3,182)	(1,507)
Administration fees		-	(1)	-	(7)	-	(5)	-	(1)
NET CASH FROM/(USED IN) FINANCING ACTIVITIES		(2,218)	5,588	(100)	(305)	10,000	10,121	4,867	3,316
Net (decrease)/increase in cash and cash equivalents		552	73	(1,892)	1,703	(1,067)	808	507	32
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		224	151	2,463	760	3,821	3,013	462	430
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		776	224	571	2,463	2,754	3,821	969	462

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

MERCER KIWISAVER SCHEME
Notes to the Financial Statements
For the Year Ended 31 March 2024

1 SCHEME DESCRIPTION

The Mercer KiwiSaver Scheme ("the Scheme") is a KiwiSaver scheme registered under the KiwiSaver Act 2006 and had been specified as a default KiwiSaver scheme under that Act up to 30 November 2021. The Scheme was established on 30 March 2007 and the Scheme commenced accepting members on 1 October 2007. The Scheme is a defined contribution superannuation scheme and was established with the principal purpose of providing retirement benefits to members. The legal document governing the Scheme is the Trust Deed dated 10 September 2015.

Details of membership during the year were:	2024	2023
Opening Membership at 1 April	49,421	51,571
New Members	679	705
Exited Members	(3,341)	(2,855)
Closing Membership at 31 March	46,759	49,421

These financial statements are for the Scheme which comprises the following funds (together "the Funds"): Sustainable Conservative, Sustainable Plus Balanced, Sustainable Plus High Growth, Cash, Sustainable Plus Moderate, Sustainable Plus Growth and Sustainable Plus Shares.

The Funds invested in the following investment portfolios within Mercer Investment Trusts New Zealand ("MITNZ").

Mercer Investment Trusts New Zealand	Investment Portfolio
Mercer Unhedged Overseas Shares Trust	- Mercer Overseas Shares Portfolio - Mercer Socially Responsible Hedged Overseas Shares Index Portfolio - Mercer Socially Responsible Overseas Shares Index Portfolio - Mercer Socially Responsible Overseas Shares Portfolio
Mercer Hedged Overseas Shares Trust	- Mercer Socially Responsible Hedged Overseas Shares Portfolio
Mercer New Zealand Cash and Fixed Interest Trust	- Mercer Cash Portfolio - Mercer New Zealand Sovereign Bond Portfolio
Mercer Overseas Fixed Interest Trust	- Mercer Overseas Sovereign Bond Index Portfolio - Mercer Socially Responsible Global Credit Portfolio
Mercer Diversified Trust	- Balanced Transition Portfolio - Growth Transition Portfolio - Mercer Balanced Portfolio - Mercer Growth Portfolio - Mercer High Growth Portfolio - Mercer Moderate Portfolio - Mercer Shares Portfolio - Mercer Socially Responsible Balanced Portfolio - Mercer Socially Responsible Growth Portfolio - Mercer Socially Responsible High Growth Portfolio - Mercer Socially Responsible Moderate Portfolio
Mercer Trans-Tasman Shares Trust	- Mercer New Zealand Shares Index Portfolio - Mercer Socially Responsible Trans-Tasman Shares Portfolio

MERCER KIWISAVER SCHEME
Notes to the Financial Statements
For the Year Ended 31 March 2024

1 SCHEME DESCRIPTION (Continued)

Mercer (N.Z.) Limited ("Mercer") is the Manager and Issuer of the Scheme. Mercer is responsible for the management and administration of the Scheme, including responsibility for the preparation and issue of the Scheme's financial statements.

Trustees Executors Limited is the Supervisor of the Scheme and is licensed under the Financial Markets Supervisors Act 2011 to act as Supervisor of the Scheme.

The Manager's registered office is Level 11, PwC Tower, 15 Customs Street West, Auckland City, Auckland 1010.

BNP Paribas Fund Services Australasia Pty Ltd ("BNP Paribas") is the custodian of the Scheme's financial assets at fair value through profit or loss.

Trustees Executors Limited is the custodian of the Scheme's cash and cash equivalents.

The Manager outsources certain investment administration activities to Mercer (Australia) Pty Ltd, the Administrator for the investment activities of the Funds and the Scheme.

2 BASIS OF PREPARATION

The financial statements are being presented on a segregated fund basis in accordance with the requirements of the Financial Markets Conduct Act 2013. Segregated fund reporting has also been applied to 31 March 2023 comparatives.

The assets of each Fund are the exclusive property of that Fund, and all liabilities incurred in relation to a Fund are the exclusive liabilities of that Fund.

The results and financial position reported for the Scheme is an aggregation of the result, financial position and cash flows of the Funds that make up the Scheme.

Statement of Compliance

The Scheme is the reporting entity. The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP") and the requirements of the Financial Markets Conduct Act 2013 and other relevant legislative requirements as appropriate for For-profit entities.

The Scheme is a Tier 1 entity and the financial statements comply with New Zealand Equivalents to International Financial Reporting Standards ("NZ IFRS"), other New Zealand accounting standards and authoritative notices as appropriate for For-profit entities. These financial statements also comply with International Financial Reporting Standards Accounting Standards ("IFRS Accounting Standards").

The Financial Statements were authorised for issue by Mercer (N.Z.) Limited, the Manager on 16 July 2024.

Measurement Base

The measurement base adopted is that of historical cost modified by the revaluation of financial assets at fair value through profit or loss. The financial statements have been prepared on a going concern basis.

Functional and Presentation Currency

The financial statements are presented in New Zealand dollars (the "presentation currency") which is the currency of the primary economic environment in which the Scheme operates (the "functional currency"). The financial statements are rounded to the nearest thousand New Zealand dollar.

Assumptions, Estimates and Judgements

The preparation of the financial statements in conformity with NZ IFRS and IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Scheme's accounting policies. There are no areas involving a higher degree of judgement or complexity, or areas where assumption and estimates are significant to the financial statements.

MERCER KIWISAVER SCHEME
Notes to the Financial Statements
For the Year Ended 31 March 2024

2 BASIS OF PREPARATION (Continued)

Assumptions, Estimates and Judgements (Continued)

At 31 March 2024, cash and cash equivalents included an amount of \$2,240,000 maintained at the total Scheme level for the settlement of transactions (2023: \$1,063,000). The Manager has estimated the allocation of this cash balance to the Funds. At 31 March 2024, the amounts allocated to Sustainable Conservative, Sustainable Plus Balanced, Sustainable Plus High Growth, Cash, Sustainable Plus Moderate, Sustainable Plus Growth and Sustainable Plus Shares were \$913,000, \$339,000, \$215,000, \$488,000, \$223,000, (\$202,000) and \$264,000, respectively. (2023: \$739,000, \$28,000, \$100,000, \$69,000, \$14,000, \$107,000 and \$6,000, respectively).

Duration of the Scheme

Clause 25 of the Trust Deed requires that the Scheme and each Member's Account will terminate:

- (i) at such time as the KiwiSaver Scheme Rules provide or the Manager determines; and
- (ii) on termination of the Scheme, the Supervisor will on the Manager's direction (but subject to Rule 1C(2) of the KiwiSaver Scheme Rules) realise all Scheme Property, pay or discharge all Scheme Liabilities and expenses of termination and distribute the net proceeds to the Members.

Funding Policy

The Scheme is a defined contribution scheme as defined by the KiwiSaver Act 2006. Funding in the form of contributions is received primarily from three sources: Members of the Scheme; employers of members of the Scheme; and the Government (in accordance with the provisions of the KiwiSaver Act 2006). Members may contribute to the Scheme at varying designated additional contributions in excess of any salary or wage linked contributions. As of 31 March 2024, employer contribution rates are either 3% or greater of each relevant Member's gross salary or wages (2023: Same).

3 MATERIAL ACCOUNTING POLICIES

The material accounting policies which have been adopted in the preparation of the financial statements are set out below. The accounting policies have been applied consistently to all years presented, unless otherwise stated.

(i) **Income**

Interest income

Interest income as recognised in the Statements of Changes in Net Assets is derived from cash and cash equivalents and is recognised on a time-proportionate basis using the effective interest method.

Changes in fair value of investments

Net gains or losses on financial assets at fair value through profit or loss are calculated as the difference between fair value at sale, or at year end, and the fair value at the previous valuation point and/or weighted average cost for purchases during the year. This includes both realised and unrealised gains and losses, but does not include interest income and is net of any fees charged within underlying unit trust investments where these are incurred through a reduction in the value of the investment.

MERCER KIWISAVER SCHEME
Notes to the Financial Statements
For the Year Ended 31 March 2024

3 MATERIAL ACCOUNTING POLICIES (Continued)

(ii) Financial Instruments

Classification

Financial assets at fair value through profit or loss comprise investments in unlisted unit trusts including ununitised investments. Investments in unlisted unit trusts including ununitised investments are managed and their performance evaluated on a fair value basis in accordance with the Scheme's documented investment strategy. The Scheme's investment policy is for the Manager to evaluate the information about these financial assets on a fair value basis together with other related financial information. The Scheme has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income.

Based on the Scheme's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets, the Manager has determined that all financial assets of the Scheme are classified as fair value through profit or loss with the exception of cash and cash equivalents, investment management fees receivable and other receivables, which are classified as financial assets at amortised cost.

Financial liabilities at amortised cost comprise manager fees (expense recoveries) payable, investment management fees payable, supervisor fees payable, benefits payable, unallocated contributions and net assets attributable to members.

Recognition and derecognition

Purchases and sales of investments are recognised on the trade date - the date on which the Scheme commits to purchase or sell the investment.

Ununitised investments comprise of investments in unlisted unit trusts purchased before year end, however, units are received after year end.

Financial assets are derecognised when the rights to receive cash flows from the investment have expired or the Scheme has transferred substantially all risks and rewards of ownership.

Measurement

Financial assets at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed in the Statements of Changes in Net Assets. Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are included in the Statements of Changes in Net Assets in the period in which they arise.

Financial assets and liabilities at amortised cost are initially recognised at fair value plus or minus transaction costs that are directly attributable to the acquisition of the financial asset or liability and subsequently measured at amortised cost.

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 the measurement date. The fair value of units held by the Scheme in managed unlisted unit trusts is determined by reference to published bid prices at the close of business on the reporting date being the redemption price established by the underlying fund manager.

The Manager may make adjustments to the reported redemption price of the Funds based on considerations such as the liquidity of the fund or its underlying investments, the value date of the net asset value provided, and any restrictions on redemptions.

(iii) Expenses

Expenses comprise investment management fees, Supervisor fees and other expenses. All expenses are accounted for on an accrual basis.

MERCER KIWISAVER SCHEME
Notes to the Financial Statements
For the Year Ended 31 March 2024

3 MATERIAL ACCOUNTING POLICIES (Continued)

(iv) **Taxation**

The Scheme qualifies as, and has elected to be treated as, a Portfolio Investment Entity ("PIE") for tax purposes.

Under the PIE regime, the Manager attributes the taxable income of the Scheme to Members in accordance with their proportionate interest in the Scheme. The income attributed to each Member is taxed at the Member's prescribed investor rate ("PIR") which is currently capped at 28%. The Manager accounts for tax on behalf of natural persons and adjusts the Members' interests in the Scheme to reflect that tax is paid at varying rates on behalf of the Members. There is a unit price for each Fund and for each tax rate.

The legislation regarding the taxation of a PIE provides that the Scheme pays tax on behalf of its Members. As such, the PIE taxation expense/(rebate) disclosed in the Statements of Changes in Net Assets is the expense attributable to Members and is measured based on tax rates applicable to those Members.

The tax amounts in the Statements of Net Assets represent the remaining tax payable by the Scheme on behalf of the Members under the PIE regime to 31 March each year.

(v) **Net Assets Attributable to Members**

The net assets attributable to members represent the liability for promised retirement benefits and are measured at amortised cost.

The Scheme issues units in each Fund that are redeemable at the Member's option and do not have identical features and are therefore classified as financial liabilities. The units can be put back to the Scheme at any time 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 put the units back to the Scheme.

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. Separate classes of units are created within the Funds to reflect the PIR of the Members. Each Member's account is invested in classes of units within the relevant Funds based on the Member's PIR that has been most recently notified to the Manager. Each unit of a specified class has the same rights attached to it as all other units of the same class within the relevant Fund.

Units are issued and redeemed at the holder's option at prices based on the Funds' net asset value per class of unit at the time of issue or redemption. The Funds' net asset value per class of unit is calculated by dividing the net assets attributable to all holders of units in the same class for each Fund by the total number of units on issue of the same class in each Fund.

(vi) **Investment Entities**

The Scheme has investments in a number of related party wholesale unlisted unit trusts. The Scheme has determined that it is an investment entity under the definition in *NZ IFRS 10 Consolidated Financial Statements* as it meets the following criteria:

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

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

As a consequence, in the event the interest in the wholesale unlisted unit trusts gives rise to control, the Scheme is not required to consolidate these investments, and continues to account for these investments at fair value through profit or loss.

(vii) **Cash and Cash Equivalents**

Cash and cash equivalents include cash in hand, cash at bank and deposits held at call with banks with an original maturity of three months or less.

MERCER KIWISAVER SCHEME
Notes to the Financial Statements
For the Year Ended 31 March 2024

3 MATERIAL ACCOUNTING POLICIES (Continued)

(viii) **Statements of Cash Flows**

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 Scheme's main income generating activity.

Cash flows resulting from transfers to/from Funds and portfolio investment entity taxation are reported on a net basis in the Statements of Cash Flows.

The cash flows of the Scheme do not include those of the investment managers. The following are definitions of the terms used in the Statements of Cash Flows:

Operating activities - are those relating to the principal income-producing activities of the Scheme and other activities that are not financing activities. These include those cash flows relating to the acquisitions, holding and disposal of investments and investments in securities not falling within the definition of cash.

Financing activities - are those activities that result in changes in the size and composition of Member's funds. This includes elements of Members' funds not falling within the definition of cash.

(ix) **Contributions and Withdrawals**

Contributions and withdrawals are accounted for on an accruals basis. Contributions are initially recognised at fair value when the Manager has confirmed the validity of the application details and instructions. Claims for death, retirement or other benefits are recognised when the Member meets the conditions required for withdrawal eligibility.

Unallocated contributions arise when monies have been received but not yet allocated to Members' accounts in the administration system at balance date. Unallocated contributions are recorded at their value, being the amounts received, and units are purchased at the unit price applicable on the date of allocation to Members' accounts.

(x) **Goods and Services Tax (GST)**

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

(xi) **Application of Accounting Standards**

(a) New and amended standards and interpretations adopted by the Scheme:

Disclosure of Accounting Policies – Amendments to NZ IAS 1 Presentation of Financial Statements, IFRS Practice Statement 2 Making Materiality Judgements

In the current year, the amendments replaced the requirement for entities to disclose significant accounting policies with a requirement to disclose material accounting policy information. NZ IAS 26 *Accounting and Reporting by Retirement Benefit Plans* has also been amended for the above. There was no material impact on the financial statements of the Scheme due to these amendments.

There are no other standards or amendments to standards that are effective for annual periods beginning on 1 April 2023 that have a material effect on the financial statements of the Scheme.

(b) New standards, amendments and interpretations not yet adopted:

NZ IFRS 18 - Presentation and Disclosure in Financial Statements

In May 2024, the XRB introduced NZ IFRS 18 *Presentation and Disclosure in Financial Statements* (NZ IFRS 18) (effective for annual reporting periods beginning on or after 1 January 2027). This standard replaces NZ IAS 1 *Presentation of Financial Statements* (NZ IAS 1) and primarily introduces a defined structure for the statement of comprehensive income, disclosure of management-defined performance measures (a subset of non-GAAP measures) in a single note together with reconciliation requirements and additional guidance on aggregation and disaggregation principles in the financial statements. NZ IFRS 18 will be applicable to the Scheme's financial statements to the extent that it is not superseded by NZ IAS 26 *Accounting and Reporting by Retirement Benefit Plans*. The Scheme has not early adopted NZ IFRS 18 and is yet to assess its impacts.

A number of other new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 April 2023, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Scheme.

(xii) **Presentation of financial statements**

The assets and liabilities in the financial statements have been presented in order of their liquidity. All assets and liabilities either have a maturity of less than a year or have no fixed maturity and are therefore considered current assets/liabilities (2023: Same).

MERCER KIWISAVER SCHEME
Notes to the Financial Statements
For the Year Ended 31 March 2024

4 VESTED BENEFITS

Vested benefits are the rights that under the conditions of the Scheme's Trust Deed, are not conditional on continued membership.

	TOTAL		Sustainable Conservative		Sustainable Plus Balanced		Sustainable Plus High Growth	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
Member accounts - vested benefits	2,313,885	2,109,758	759,552	728,080	614,640	559,759	364,509	307,467
Adjustments arising from valuation differences	9,238	(219)	1,919	110	2,602	(140)	2,396	(20)
Net Assets Attributable to Members	2,323,123	2,109,539	761,471	728,190	617,242	559,619	366,905	307,447

	Cash		Sustainable Plus Moderate		Sustainable Plus Growth		Sustainable Plus Shares	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
Member accounts - vested benefits	34,529	35,249	229,697	215,929	249,471	214,491	61,487	48,783
Adjustments arising from valuation differences	24	29	577	(127)	1,341	(40)	379	(31)
Net Assets Attributable to Members	34,553	35,278	230,274	215,802	250,812	214,451	61,866	48,752

Valuation differences exist between the net assets attributable to members and vested benefits. Net assets attributable to members are derived using accounting principles on an accruals basis, this results in timing differences in the settlement of certain accrued items and the impact thereof on unit pricing. Vested benefits are derived as the sum of individual Member account balances, which are calculated using the 31 March unit prices.

No guarantees have been made in respect of any part of the net assets attributable to members.

MERCER KIWISAVER SCHEME
Notes to the Financial Statements
For the Year Ended 31 March 2024

5 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Scheme held investments in the following MITNZ investment portfolios and unsettled investments:

	TOTAL		Sustainable Conservative		Sustainable Plus Balanced		Sustainable Plus High Growth	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
Financial assets at fair value through profit or loss								
Mercer Cash Portfolio	248,270	266,796	213,813	231,473	-	-	-	-
Mercer New Zealand Shares Index Portfolio	38,164	39,773	38,164	39,773	-	-	-	-
Mercer New Zealand Sovereign Bond Portfolio	130,218	108,531	130,218	108,531	-	-	-	-
Mercer Overseas Shares Portfolio	8,441	7,163	-	-	-	-	-	-
Mercer Overseas Sovereign Bond Index Portfolio	138,392	118,117	138,392	118,117	-	-	-	-
Mercer Socially Responsible Balanced Portfolio	617,005	552,964	-	-	617,005	552,964	-	-
Mercer Socially Responsible Growth Portfolio	249,126	209,507	-	-	-	-	-	-
Mercer Socially Responsible Global Credit Portfolio	125,901	116,453	125,901	116,453	-	-	-	-
Mercer Socially Responsible Hedged Overseas Shares Index Portfolio	39,002	33,599	30,145	27,299	-	-	-	-
Mercer Socially Responsible Hedged Overseas Shares Portfolio	42,828	37,409	29,961	26,750	-	-	-	-
Mercer Socially Responsible High Growth Portfolio	362,706	301,075	-	-	-	-	362,706	301,075
Mercer Socially Responsible Overseas Shares Index Portfolio	31,264	27,261	31,264	27,261	-	-	-	-
Mercer Socially Responsible Overseas Shares Portfolio	43,560	38,023	30,466	27,430	-	-	-	-
Mercer Socially Responsible Trans-Tasman Shares Portfolio	16,963	13,211	-	-	-	-	-	-
Mercer Socially Responsible Moderate Portfolio	231,279	212,575	-	-	-	-	-	-
Ununitised investments	1,250	-	-	-	-	-	-	-
Total Financial Assets at Fair Value through Profit or Loss	2,324,369	2,082,456	768,324	723,087	617,005	552,964	362,706	301,075

	Cash		Sustainable Plus Moderate		Sustainable Plus Growth		Sustainable Plus Shares	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
Financial assets at fair value through profit or loss								
Mercer Cash Portfolio	34,457	35,323	-	-	-	-	-	-
Mercer New Zealand Shares Index Portfolio	-	-	-	-	-	-	-	-
Mercer New Zealand Sovereign Bond Portfolio	-	-	-	-	-	-	-	-
Mercer Overseas Shares Portfolio	-	-	-	-	-	-	8,441	7,163
Mercer Overseas Sovereign Bond Index Portfolio	-	-	-	-	-	-	-	-
Mercer Socially Responsible Balanced Portfolio	-	-	-	-	-	-	-	-
Mercer Socially Responsible Growth Portfolio	-	-	-	-	249,126	209,507	-	-
Mercer Socially Responsible Global Credit Portfolio	-	-	-	-	-	-	-	-
Mercer Socially Responsible Hedged Overseas Shares Index Portfolio	-	-	-	-	-	-	8,857	6,300
Mercer Socially Responsible Hedged Overseas Shares Portfolio	-	-	-	-	-	-	12,867	10,659
Mercer Socially Responsible High Growth Portfolio	-	-	-	-	-	-	-	-
Mercer Socially Responsible Overseas Shares Index Portfolio	-	-	-	-	-	-	-	-
Mercer Socially Responsible Overseas Shares Portfolio	-	-	-	-	-	-	13,094	10,593
Mercer Socially Responsible Trans-Tasman Shares Portfolio	-	-	-	-	-	-	16,963	13,211
Mercer Socially Responsible Moderate Portfolio	-	-	231,279	212,575	-	-	-	-
Unsettled investments	-	-	-	-	-	-	1,250	-
Total Financial Assets at Fair Value through Profit or Loss	34,457	35,323	231,279	212,575	249,126	209,507	61,472	47,925

MERCER KIWISAVER SCHEME
Notes to the Financial Statements
For the Year Ended 31 March 2024

5 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

The following are investments exceeding either 5% of the net assets available for benefits or 5% of any class or type of security for the Scheme and Funds:

	TOTAL		Sustainable Conservative		Sustainable Plus Balanced		Sustainable Plus High Growth	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
Financial assets at fair value through profit or loss								
Mercer Cash Portfolio	248,270	266,796	213,813	231,473	-	-	-	-
Mercer New Zealand Shares Index Portfolio	-	-	-	39,773	-	-	-	-
Mercer New Zealand Sovereign Bond Portfolio	130,218	108,531	130,218	108,531	-	-	-	-
Mercer Overseas Shares Portfolio	-	-	-	-	-	-	-	-
Mercer Overseas Sovereign Bond Index Portfolio	138,392	118,117	138,392	118,117	-	-	-	-
Mercer Socially Responsible Balanced Portfolio	617,005	552,964	-	-	617,005	552,964	-	-
Mercer Socially Responsible Growth Portfolio	249,126	209,507	-	-	-	-	-	-
Mercer Socially Responsible Global Credit Portfolio	125,901	116,453	125,901	116,453	-	-	-	-
Mercer Socially Responsible Hedged Overseas Shares Index Portfolio	-	-	-	-	-	-	-	-
Mercer Socially Responsible Hedged Overseas Shares Portfolio	-	-	-	-	-	-	-	-
Mercer Socially Responsible High Growth Portfolio	362,706	301,075	-	-	-	-	362,706	301,075
Mercer Socially Responsible Overseas Shares Index Portfolio	-	-	-	-	-	-	-	-
Mercer Socially Responsible Overseas Shares Portfolio	-	-	-	-	-	-	-	-
Mercer Socially Responsible Trans-Tasman Shares Portfolio	-	-	-	-	-	-	-	-
Mercer Socially Responsible Moderate Portfolio	231,279	212,575	-	-	-	-	-	-
Total Financial Assets at Fair Value through Profit or Loss	2,102,897	1,886,018	608,324	614,347	617,005	552,964	362,706	301,075

	Cash		Sustainable Plus Moderate		Sustainable Plus Growth		Sustainable Plus Shares	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
Financial assets at fair value through profit or loss								
Mercer Cash Portfolio	34,457	35,323	-	-	-	-	-	-
Mercer New Zealand Shares Index Portfolio	-	-	-	-	-	-	-	-
Mercer New Zealand Sovereign Bond Portfolio	-	-	-	-	-	-	-	-
Mercer Overseas Shares Portfolio	-	-	-	-	-	-	8,441	7,163
Mercer Overseas Sovereign Bond Index Portfolio	-	-	-	-	-	-	-	-
Mercer Socially Responsible Balanced Portfolio	-	-	-	-	-	-	-	-
Mercer Socially Responsible Growth Portfolio	-	-	-	-	249,126	209,507	-	-
Mercer Socially Responsible Global Credit Portfolio	-	-	-	-	-	-	-	-
Mercer Socially Responsible Hedged Overseas Shares Index Portfolio	-	-	-	-	-	-	8,857	6,300
Mercer Socially Responsible Hedged Overseas Shares Portfolio	-	-	-	-	-	-	12,867	10,659
Mercer Socially Responsible High Growth Portfolio	-	-	-	-	-	-	-	-
Mercer Socially Responsible Overseas Shares Index Portfolio	-	-	-	-	-	-	-	-
Mercer Socially Responsible Overseas Shares Portfolio	-	-	-	-	-	-	13,094	10,593
Mercer Socially Responsible Trans-Tasman Shares Portfolio	-	-	-	-	-	-	16,963	13,211
Mercer Socially Responsible Moderate Portfolio	-	-	231,279	212,575	-	-	-	-
Total Financial Assets at Fair Value through Profit or Loss	34,457	35,323	231,279	212,575	249,126	209,507	60,222	47,925

MERCER KIWISAVER SCHEME
Notes to the Financial Statements
For the Year Ended 31 March 2024

5 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

Fair Value Hierarchy

The Scheme's financial instruments carried at fair value are grouped into Levels 1 to 3 based upon the degree to which the fair value is observable. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as published prices being the redemption price established by the underlying fund manager) or indirectly (i.e. derived from prices); or

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets at fair value through profit or loss are classified as Level 2 under the fair value hierarchy as the fair value of these investments at balance date is determined using the last available redemption unit price of those funds (2023: Same). During the year there were no transfers between levels in the fair value hierarchy (2023: Same).

6 RELATED PARTIES

The related parties of the Scheme comprise the Manager and the Supervisor and their related entities.

The Manager and Supervisor are entitled to remuneration from the Scheme. This is represented by the Investment management fees and Supervisor fees in the Statements of Changes in Net Assets. These are recovered through the unit price. Fund charges consisted of In Fund costs, expense reimbursement to the Manager for Scheme expenses paid by the Manager, investment management fees and supervisor fees. For the 2024 and 2023 years, the Supervisor fee had a maximum potential rate of 0.03% of net assets per annum. The custodian fee was 0.005%. The investment management fee rates for 2024 and 2023 are disclosed below:

Fund	Investment management fee
	% p.a.
Sustainable Conservative	0.42%
Sustainable Plus Balanced	0.68%
Sustainable Plus High Growth	0.82%
Cash	0.28%
Sustainable Plus Moderate	0.59%
Sustainable Plus Growth	0.77%
Sustainable Plus Shares	0.90%

Investment management fees incurred by the Scheme are deducted through two components:

- The first component comprises investment management fees charged at MITNZ level, a series of wholesale unlisted unit trusts managed by Mercer which the Scheme holds as disclosed in Note 5. These investment management fees are incurred through a reduction in the unit price of MITNZ holdings of the Scheme. This is reflected within net gains/(losses) on financial assets at fair value through profit or loss in the Statements of Changes in Net Assets.
- The second component is fees deducted directly from the Scheme and invoiced by Mercer. These represent the balancing amounts of asset based investment management fees once the deduction of fees from MITNZ are taken into account. Where the investment management fee charged at MITNZ level is higher than the agreed rate at Scheme level, a rebate will be given to the Scheme.

Performance fees are charged within MITNZ by underlying external managers and are included in the quoted unit price for the relevant portfolios. For the year to 31 March 2024, the maximum performance fee rates for Sustainable Plus Moderate, Sustainable Plus Balanced, Sustainable Plus Growth and Sustainable Plus High Growth were 0.04%, 0.05%, 0.05% and 0.05% respectively (2023: 0.03%, 0.04%, 0.05% and 0.05% respectively).

MERCER KIWISAVER SCHEME
Notes to the Financial Statements
For the Year Ended 31 March 2024

6 RELATED PARTIES (Continued)

Details of the Scheme's related party expenses including investment management fees charged through the unit price are disclosed below:

	TOTAL		Sustainable Conservative		Sustainable Plus Balanced		Sustainable Plus High Growth	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
Investment management fees								
Investment management fees to Mercer, other related and third party investment managers via MITNZ unit price	16,126	14,276	3,043	2,885	5,147	4,837	3,381	2,639
Investment management (rebates)/fees to Mercer	(2,657)	(1,774)	96	141	(1,191)	(1,117)	(676)	(235)
Total investment management fees	13,469	12,502	3,139	3,026	3,956	3,720	2,705	2,404
Supervisor fees								
Supervisor fees to Trustees Executors Limited	218	214	74	75	57	57	33	31
Manager fees (expense recoveries)								
Manager fees (expense recoveries) to Mercer	406	544	136	189	108	144	62	80
Total	14,093	13,260	3,349	3,290	4,121	3,921	2,800	2,515

	Cash		Sustainable Plus Moderate		Sustainable Plus Growth		Sustainable Plus Shares	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
Investment management fees								
Investment management fees to Mercer, other related and third party investment managers via MITNZ unit price	107	98	1,753	1,419	2,231	2,008	464	390
Investment management (rebates)/fees to Mercer	(5)	(6)	(434)	(158)	(467)	(423)	20	24
Total investment management fees	102	92	1,319	1,261	1,764	1,585	484	414
Supervisor fees								
Supervisor fee expenses to Trustees Executors Limited	4	3	22	22	23	21	5	5
Manager fees (expense recoveries)								
Manager fees (expense recoveries) to Mercer	6	9	41	55	43	55	10	12
Total	112	104	1,382	1,338	1,830	1,661	499	431

Outstanding balances due to related parties are not interest bearing.

MERCER KIWISAVER SCHEME
Notes to the Financial Statements
For the Year Ended 31 March 2024

6 RELATED PARTIES (Continued)

Amounts (receivable from)/payable to Mercer, the Supervisor and as at 31 March are as follows:

Fund	Investment management fees/(rebates)				Supervisor fees		Other receivables		Manager fees (expense recoveries) payable		Unsettled trades	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Sustainable Conservative	21	25	19	19	3,106	100	19	100	-	100	-	100
Sustainable Plus Balanced	(311)	(191)	15	15	32	-	16	-	-	-	-	-
Sustainable Plus High Growth	(181)	(105)	9	8	16	-	10	-	-	-	-	-
Cash	(2)	(3)	1	1	4	-	-	-	-	-	-	-
Sustainable Plus Moderate	(112)	(71)	6	6	271	-	6	-	-	-	-	-
Sustainable Plus Growth	(125)	(74)	6	5	17	-	7	-	-	-	-	-
Sustainable Plus Shares	5	4	1	1	828	-	2	-	-	-	1,250	-
Total	(705)	(415)	57	55	4,274	100	60	100	100	100	1,250	100

Other receivables comprises the receivables from sale of financial assets at fair value through profit or loss and the Manager contribution.

Manager contribution

Following investigation of a historical PIE tax matter with Inland Revenue, it was determined by the Manager that an additional sum of PIE tax was payable by the Scheme. This was in relation to underpaid tax across Scheme years 2019 – 2022 and was in respect of to the Sustainable Conservative Fund. The Manager’s contribution is in relation to this matter. This payment was made subsequent to year end in April 2024.

Investment in related parties

The Scheme invests in MITNZ. Trustees Executors Limited ("TEL") is the Trustee and Mercer is the manager of MITNZ.

Three related parties of Mercer KiwiSaver Scheme are current members of the Scheme (2023: Two). Contributions and Partial Withdrawals made by directors and other related parties during the year were as follows:

Fund	Opening Balance		Contributions		Partial Withdrawals		Closing Balance	
	2024	2023	2024	2023	2024	2023	2024	2023
	\$	\$	\$	\$	\$	\$	\$	\$
Sustainable Conservative	-	-	-	-	13,895	-	59,367	-
Sustainable Plus Balanced	47,604	45,062	3,487	3,703	-	-	55,660	47,604
Sustainable Plus High Growth	54,898	52,935	7,566	3,703	9,262	-	108,941	54,898
Sustainable Plus Growth	1,042,144	1,014,257	51,882	59,612	11,378	-	1,271,721	1,042,144
Sustainable Plus Shares	-	-	7,577	-	10,464	-	49,572	-
Total	1,144,646	1,112,254	70,512	67,018	44,999	-	1,545,261	1,144,646

MERCER KIWISAVER SCHEME
Notes to the Financial Statements
For the Year Ended 31 March 2024

6 RELATED PARTIES (Continued)

Investment in related parties (Continued)

The Scheme holds units in the following investment portfolios in the MITNZ:

	Opening Balance		Purchases		Sales		Net Change in Fair Value		Closing Balance	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Scheme Total										
Mercer Cash Portfolio	266,795	271,261	11,308	26,804	(43,310)	(39,371)	13,477	8,101	248,270	266,795
Mercer New Zealand Shares Index Portfolio	39,773	27,649	1,000	14,033	(3,250)	(1,330)	641	(579)	38,164	39,773
Mercer New Zealand Sovereign Bond Portfolio	108,531	91,934	17,670	19,341	-	(150)	4,017	(2,594)	130,218	108,531
Mercer Overseas Sovereign Bond Index Portfolio	118,116	110,029	18,000	14,725	-	(200)	2,276	(6,438)	138,392	118,116
Mercer Overseas Shares Portfolio	7,163	6,769	142	1,095	(976)	(955)	2,112	254	8,441	7,163
Mercer Socially Responsible Balanced Portfolio	552,964	555,551	14,336	19,452	(6,236)	(2,456)	55,941	(19,583)	617,005	552,964
Mercer Socially Responsible Growth Portfolio	209,507	208,255	13,555	11,398	(2,098)	(1,690)	28,162	(8,456)	249,126	209,507
Mercer Socially Responsible High Growth Portfolio	301,075	295,869	20,032	22,038	(4,883)	(4,773)	46,482	(12,059)	362,706	301,075
Mercer Socially Responsible Trans-Tasman Shares Portfolio	13,211	11,756	3,760	2,993	(413)	(1,391)	405	(147)	16,963	13,211
Mercer Socially Responsible Global Credit Portfolio	116,453	127,320	4,150	4,461	(600)	(6,550)	5,898	(8,778)	125,901	116,453
Mercer Socially Responsible Hedged Overseas Shares Index Portfolio	33,599	37,116	700	11,307	(3,400)	(11,723)	8,103	(3,101)	39,002	33,599
Mercer Socially Responsible Hedged Overseas Shares Portfolio	37,409	40,928	2,652	9,253	(4,000)	(8,125)	6,767	(4,647)	42,828	37,409
Mercer Socially Responsible Moderate Portfolio	212,575	220,119	6,891	3,436	(4,984)	(5,379)	16,797	(5,601)	231,279	212,575
Mercer Socially Responsible Overseas Shares Index Portfolio	27,261	30,392	200	2,000	(4,100)	(5,788)	7,903	657	31,264	27,261
Mercer Socially Responsible Overseas Shares Portfolio	38,024	40,686	330	3,851	(3,600)	(6,802)	8,806	289	43,560	38,024
Total	2,082,456	2,075,634	114,726	166,187	(81,850)	(96,683)	207,787	(62,682)	2,323,119	2,082,456

	Opening Balance		Purchases		Sales		Net Change in Fair Value		Closing Balance	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Sustainable Conservative										
Mercer Cash Portfolio	231,473	242,464	5,830	17,324	(35,062)	(35,407)	11,572	7,092	213,813	231,473
Mercer New Zealand Shares Index Portfolio	39,773	27,649	1,000	14,035	(3,250)	(1,330)	641	(581)	38,164	39,773
Mercer New Zealand Sovereign Bond Portfolio	108,531	91,934	17,670	19,341	-	(150)	4,017	(2,594)	130,218	108,531
Mercer Overseas Sovereign Bond Index Portfolio	118,116	110,029	18,000	14,725	-	(200)	2,276	(6,438)	138,392	118,116
Mercer Socially Responsible Global Credit Portfolio	116,453	127,320	4,150	4,461	(600)	(6,550)	5,898	(8,778)	125,901	116,453
Mercer Socially Responsible Hedged Overseas Shares Index Portfolio	27,299	30,097	847	12,164	(4,439)	(12,668)	6,438	(2,294)	30,145	27,299
Mercer Socially Responsible Hedged Overseas Shares Portfolio	26,751	30,322	3,501	8,747	(5,092)	(9,088)	4,801	(3,230)	29,961	26,751
Mercer Socially Responsible Overseas Shares Index Portfolio	27,261	30,392	200	2,000	(4,100)	(5,790)	7,903	659	31,264	27,261
Mercer Socially Responsible Overseas Shares Portfolio	27,430	30,117	605	4,570	(3,737)	(7,482)	6,169	225	30,466	27,430
Total	723,087	720,324	51,803	97,367	(56,280)	(78,665)	49,714	(15,939)	768,324	723,087

MERCER KIWISAVER SCHEME
Notes to the Financial Statements
For the Year Ended 31 March 2024

6 RELATED PARTIES (Continued)

Investment in related parties (Continued)

	Opening Balance		Purchases		Sales		Net Change in Fair Value		Closing Balance	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
Sustainable Plus Balanced										
Mercer Socially Responsible Balanced Portfolio	552,964	555,551	14,335	19,452	(6,236)	(2,455)	55,942	(19,584)	617,005	552,964
Total	552,964	555,551	14,335	19,452	(6,236)	(2,455)	55,942	(19,584)	617,005	552,964
Sustainable Plus High Growth										
Mercer Socially Responsible High Growth Portfolio	301,075	295,869	20,032	22,038	(4,883)	(4,773)	46,482	(12,059)	362,706	301,075
Total	301,075	295,869	20,032	22,038	(4,883)	(4,773)	46,482	(12,059)	362,706	301,075
Cash										
Mercer Cash Portfolio	35,323	28,798	5,795	11,230	(8,565)	(5,714)	1,905	1,009	34,457	35,323
Total	35,323	28,798	5,795	11,230	(8,565)	(5,714)	1,905	1,009	34,457	35,323
Sustainable Plus Moderate										
Mercer Socially Responsible Moderate Portfolio	212,575	220,119	6,891	3,436	(4,984)	(5,379)	16,797	(5,601)	231,279	212,575
Total	212,575	220,119	6,891	3,436	(4,984)	(5,379)	16,797	(5,601)	231,279	212,575
Sustainable Plus Growth										
Mercer Socially Responsible Growth Portfolio	209,507	208,255	13,555	11,398	(2,097)	(1,689)	28,161	(8,457)	249,126	209,507
Total	209,507	208,255	13,555	11,398	(2,097)	(1,689)	28,161	(8,457)	249,126	209,507
Sustainable Plus Shares										
Mercer Overseas Shares Portfolio	7,163	6,769	142	1,095	(976)	(955)	2,112	254	8,441	7,163
Mercer Socially Responsible Hedged Overseas Shares Index Portfolio	6,300	7,019	1,139	1,426	(247)	(1,338)	1,665	(807)	8,857	6,300
Mercer Socially Responsible Hedged Overseas Shares Portfolio	10,659	10,606	1,272	2,221	(1,029)	(752)	1,965	(1,416)	12,867	10,659
Mercer Socially Responsible Overseas Shares Portfolio	10,593	10,569	1,163	1,401	(1,301)	(1,440)	2,639	63	13,094	10,593
Mercer Socially Responsible Trans-Tasman Shares Portfolio	13,211	11,755	3,760	2,991	(412)	(1,391)	404	(144)	16,963	13,211
Total	47,926	46,718	7,476	9,134	(3,965)	(5,876)	8,786	(2,051)	60,222	47,925

The Scheme and Funds do not control any of the MITNZ Portfolio.

MERCER KIWISAVER SCHEME
Notes to the Financial Statements
For the Year Ended 31 March 2024

6 RELATED PARTIES (Continued)

The purchases and sales between the Funds in the MITNZ portfolios are disclosed below. These transactions have been eliminated at the total Scheme level.

	Purchases		Sales	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
Mercer Cash Portfolio	317	1,750	(317)	(1,750)
Mercer Socially Responsible Hedged Overseas Shares Index Portfolio	1,286	2,283	(1,286)	(2,283)
Mercer Socially Responsible Hedged Overseas Shares Portfolio	2,121	1,715	(2,121)	(1,715)
Mercer Socially Responsible Overseas Shares Portfolio	1,438	2,120	(1,438)	(2,120)
Total	5,162	7,868	(5,162)	(7,868)

The non-cash transactions comprising purchases and sales between MITNZ portfolios at the Fund level is as follows:

Sustainable Conservative	Purchases		Sales	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
Mercer Cash Portfolio	2,050	3,378	(26,320)	(28,969)
Mercer New Zealand Shares Index Portfolio	400	11,342	(2,950)	(1,100)
Mercer New Zealand Sovereign Bond Portfolio	13,801	15,810	-	-
Mercer Overseas Sovereign Bond Index Portfolio	15,300	9,384	-	-
Mercer Socially Responsible Global Credit Portfolio	2,950	3,811	(200)	(5,597)
Mercer Socially Responsible Hedged Overseas Shares Index Portfolio	400	7,887	(1,981)	(5,692)
Mercer Socially Responsible Hedged Overseas Shares Portfolio	-	5,061	(750)	(4,264)
Mercer Socially Responsible Overseas Shares Index Portfolio	200	284	(1,700)	(5,186)
Mercer Socially Responsible Overseas Shares Portfolio	-	300	(1,200)	(6,449)
Total	35,101	57,257	(35,101)	(57,257)

MERCER KIWISAVER SCHEME
Notes to the Financial Statements
For the Year Ended 31 March 2024

6 RELATED PARTIES (Continued)

The non-cash transactions comprising purchases and sales between MITNZ portfolios were as follows:

	Purchases		Sales	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
Sustainable Plus Shares				
Mercer Overseas Shares Portfolio	680	111	(20)	(336)
Mercer Socially Responsible Hedged Overseas Shares Index Portfolio	-	-	(50)	(10)
Mercer Socially Responsible Hedged Overseas Shares Portfolio	-	361	-	(125)
Mercer Socially Responsible Overseas Shares Portfolio	-	-	(680)	(179)
Mercer Socially Responsible Trans-Tasman Shares Portfolio	70	311	-	(133)
Total	750	783	(750)	(783)

The non-cash transactions comprising purchases and sales between MITNZ portfolios at the Scheme level were as follows:

	Purchases		Sales	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
Scheme level				
Mercer Cash Portfolio	1,200	1,851	(3,442)	(1,531)
Mercer New Zealand Shares Index Portfolio	-	186	-	-
Mercer New Zealand Sovereign Bond Portfolio	19	15	-	(52)
Mercer Overseas Sovereign Bond Index Portfolio	100	720	-	(200)
Mercer Overseas Shares Portfolio	600	292	(645)	(356)
Mercer Socially Responsible Balanced Portfolio	780	6,291	(1,389)	(1,361)
Mercer Socially Responsible Growth Portfolio	3,428	2,654	(159)	(439)
Mercer Socially Responsible Moderate Portfolio	470	852	(2,561)	(1,762)
Mercer Socially Responsible Global Credit Portfolio	30	-	-	(250)
Mercer Socially Responsible Hedged Overseas Shares Index Portfolio	130	2,271	(281)	(4,950)
Mercer Socially Responsible Hedged Overseas Shares Portfolio	375	306	(413)	(1,886)
Mercer Socially Responsible High Growth Portfolio	3,363	504	(1,190)	(2,673)
Mercer Socially Responsible Overseas Shares Index Portfolio	-	80	(1,047)	(50)
Mercer Socially Responsible Overseas Shares Portfolio	-	-	(570)	(74)
Mercer Socially Responsible Trans-Tasman Shares Portfolio	1,322	269	(120)	(707)
Total	11,817	16,291	(11,817)	(16,291)

MERCER KIWISAVER SCHEME
Notes to the Financial Statements
For the Year Ended 31 March 2024

7 BENEFITS

	TOTAL		Sustainable Conservative		Sustainable Plus Balanced		Sustainable Plus High Growth	
	2024	2023	2024	2023	2024	2023	2024	2023
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Retirement	74,074	69,496	34,099	34,382	16,660	12,669	3,639	2,201
Serious ill health	2,710	1,622	858	674	990	515	91	111
Death or disability	4,144	2,896	1,612	1,367	1,081	492	419	220
Significant financial hardship	2,356	1,546	1,308	823	434	248	124	148
First home assistance	14,987	12,706	7,770	6,584	2,278	1,871	1,166	1,452
Permanent emigration to Australia	2,162	1,038	812	537	670	70	174	88
Permanent emigration excluding Australia	1,754	1,200	587	446	543	418	268	245
Other	1,433	711	112	426	276	80	264	171
Total	103,620	91,215	47,158	45,239	22,932	16,363	6,145	4,636

	Cash		Sustainable Plus Moderate		Sustainable Plus Growth		Sustainable Plus Shares	
	2024	2023	2024	2023	2024	2023	2024	2023
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Retirement	5,372	7,104	11,486	10,512	2,632	2,368	186	260
Serious ill health	122	-	517	197	111	113	21	12
Death or disability	175	629	541	163	250	21	66	4
Significant financial hardship	134	80	176	159	158	61	22	27
First home assistance	1,025	566	1,474	726	1,052	1,140	222	367
Permanent emigration to Australia	27	125	250	141	223	66	6	11
Permanent emigration excluding Australia	201	38	36	29	64	9	55	15
Other	468	33	186	-	107	1	20	-
Total	7,524	8,575	14,666	11,927	4,597	3,779	598	696

8 TRANSFERS IN FROM OTHER SCHEMES

	TOTAL		Sustainable Conservative		Sustainable Plus Balanced		Sustainable Plus High Growth	
	2024	2023	2024	2023	2024	2023	2024	2023
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Transfers from other KiwiSaver Schemes	3,317	3,015	152	913	2,428	1,577	459	363
Transfers from other superannuation schemes	1,354	622	916	83	277	199	21	188
Transfers from Trans-Tasman portability	2,363	3,771	501	1,243	568	1,619	279	435
Total	7,034	7,408	1,569	2,239	3,273	3,395	759	986

	Cash		Sustainable Plus Moderate		Sustainable Plus Growth		Sustainable Plus Shares	
	2024	2023	2024	2023	2024	2023	2024	2023
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Transfers from other KiwiSaver Schemes	-	45	127	7	101	74	50	36
Transfers from other superannuation schemes	-	-	110	-	26	148	4	4
Transfers from Trans-Tasman portability	2	6	767	180	244	263	2	25
Total	2	51	1,004	187	371	485	56	65

MERCER KIWISAVER SCHEME
Notes to the Financial Statements
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9 RECONCILIATION OF NET PROFIT BEFORE MEMBERSHIP ACTIVITIES TO NET CASH (USED IN)/FROM OPERATING ACTIVITIES

	TOTAL		Sustainable Conservative		Sustainable Plus Balanced		Sustainable Plus High Growth	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
Net profit before membership activities	210,367	(61,452)	49,588	(16,270)	57,114	(18,612)	47,148	(11,904)
Adjustments for:								
Net (gains)losses on financial assets at fair value through profit or loss	(207,787)	62,682	(49,714)	15,939	(55,942)	19,584	(46,482)	12,059
Proceeds from sale of financial assets	32,085	22,252	20,159	21,308	6,236	2,455	4,883	4,773
Payments for purchase of financial assets	(67,057)	(91,856)	(16,702)	(40,110)	(14,335)	(19,452)	(20,032)	(22,038)
(Increase)/Decrease Investment management fee rebates receivable	(290)	(118)	(4)	27	(120)	16	(76)	(98)
Increase/(Decrease) in Supervisor fees payable	2	5	-	(3)	-	3	1	2
(Decrease) in Manager fees (expense recoveries) payable	(196)	256	(70)	89	(52)	68	(27)	37
Net cash flows (used in)/from Operating Activities	(32,876)	(68,231)	3,257	(19,020)	(7,099)	(15,938)	(14,585)	(17,169)

	Cash		Sustainable Plus Moderate		Sustainable Plus Growth		Sustainable Plus Shares	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
Net profit before membership activities	1,908	1,007	17,223	(5,498)	28,621	(8,088)	8,765	(2,087)
Adjustments for:								
Net (gains)losses on financial assets at fair value through profit or loss	(1,905)	(1,009)	(16,797)	5,601	(28,161)	8,457	(8,786)	2,051
Proceeds from sale of financial assets	8,565	5,714	4,734	5,379	2,097	1,689	2,390	5,093
Payments for purchase of financial assets	(5,795)	(11,230)	(6,891)	(3,436)	(13,555)	(11,398)	(6,726)	(8,351)
(Increase)/Decrease Investment management fee rebates receivable	1	(1)	(41)	(66)	(51)	-	1	4
Increase/(Decrease) in Supervisor fees payable	-	-	-	2	1	1	-	-
(Decrease) in Manager fees (expense recoveries) payable	(4)	4	(20)	26	(19)	26	(4)	6
Net cash flows (used in)/from Operating Activities	2,770	(5,515)	(1,792)	2,008	(11,067)	(9,313)	(4,360)	(3,284)

MERCER KIWISAVER SCHEME
Notes to the Financial Statements
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10 AUDITOR'S REMUNERATION

During the reporting period, the following fees (inclusive of GST) were paid or payable by the Manager to the auditor of the Scheme. The auditor of the Scheme is PricewaterhouseCoopers.

	TOTAL		Sustainable Conservative		Sustainable Plus Balanced		Sustainable Plus High Growth	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
Audit fees for the audit of financial statements	114	107	38	37	30	28	18	16
Taxation fees for tax compliance services	-	3	-	1	-	1	-	1
	114	110	38	38	30	29	18	17

	Cash		Sustainable Plus Moderate		Sustainable Plus Growth		Sustainable Plus Shares	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
Audit fees for the audit of financial statements	2	2	11	11	12	11	3	2
Taxation fees for tax compliance services	-	-	-	-	-	-	-	-
	2	2	11	11	12	11	3	2

11 FINANCIAL RISK MANAGEMENT

The Scheme's investments are comprised of units in unlisted unit trusts which, in turn, invest in equities, interest bearing securities, units in unit trusts and derivative financial instruments. The Manager has determined that these types of investments are appropriate for the Scheme and are in accordance with its investment objectives. The objectives of the Scheme are to achieve a return (over the medium to long term) which is competitive with comparable Schemes that have similar risk characteristics, and to outperform the notional return of a benchmark portfolio of suitable market indices over periods of one year or greater.

The Scheme's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Scheme's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Scheme's financial performance.

The Manager has considered the above investment risks in constructing the asset portfolios of the Scheme and aims to manage those risks primarily through diversification, including using some or all of the following (as applicable):

- investing across different asset classes (to reduce market risk and liquidity risk);
- investing predominantly in unit trusts which, in turn, invest with a number of different investment managers;
- investing across different countries (to reduce market risk); and
- investing in a number of individual securities within each asset class.

Professional investment managers are appointed on a research-based process of selection to manage the underlying assets of the MITNZ via a set of investment guidelines. Risk management activities are performed within the underlying investment portfolios, not at the Scheme level. The investment managers of underlying investment portfolios may use derivatives and other instruments, including futures, interest rate swaps and forward currency contracts, to manage exposures resulting from changes in interest rates, foreign currencies, equity price risks and exposures from forecast transactions.

The Mercer KiwiSaver Scheme invests in the MITNZ investment portfolios. The investment in the underlying MITNZ investment portfolios are directly exposed to market risk, credit risk and liquidity risk.

MERCER KIWISAVER SCHEME
Notes to the Financial Statements
For the Year Ended 31 March 2024

11 FINANCIAL RISK MANAGEMENT (Continued)

a) Market Risk

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

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Market risk is minimised by the Manager through research and analysis of the investment mix within investment portfolios and ensuring that all investment activities are undertaken in accordance with established investment strategies.

The Scheme's overall market positions are monitored by the Scheme's manager who uses research and analysis to form a view on these matters and then rebalances the investment mix of the investment portfolios to reduce the impact of market risk.

The Scheme's and each Fund's maximum exposure to loss from its interests in the MITNZ Investment Portfolios is equal to the total fair value of its investments. Once the Scheme and the Funds have disposed of its interest in an MITNZ Investment Portfolio, the Scheme and the Funds cease to be exposed to any risk from that MITNZ Investment Portfolio.

No adjustment have been made to the carrying amount of financial instruments as a result of climate change.

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates.

The Scheme does not hold financial instruments denominated in currencies other than the New Zealand dollar, the functional currency. It is therefore not exposed to currency risk. Currency risk disclosure has been considered on the basis of the Scheme's direct investments and not on a look through basis for investments held indirectly through unit trusts. Consequently the Scheme may be exposed indirectly to currency risk where the Scheme has significant investments in unit trusts which have exposure to foreign currencies.

Exposure to currency risk is managed through hedging using derivative investments, which include forward exchange contracts, within the underlying MITNZ investment portfolios.

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.

The majority of the Scheme's financial assets are non-interest bearing. As a result, the Scheme is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash and cash equivalents are invested at short-term market interest rates. Any sensitivity is immaterial.

Interest rate risk disclosures have been considered on the basis of the Scheme's direct investments and not on a look through basis for investments held indirectly through unit trusts. Consequently the Scheme is exposed indirectly to interest rate risk where the Scheme has significant investments in unit trusts which have exposure to interest bearing financial instruments.

Exposure to interest rate risk is managed through the use of derivatives, diversification in holdings and the duration of fixed interest investments within the underlying MITNZ investment portfolios.

MERCER KIWISAVER SCHEME
Notes to the Financial Statements
For the Year Ended 31 March 2024

11 FINANCIAL RISK MANAGEMENT (Continued)

a) Market Risk (Continued)

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Scheme's investments are susceptible to market price risk arising from uncertainties about future values of the investments which will directly affect net investment income.

As the majority of the Scheme's financial instruments are carried at fair value, all changes in market conditions will directly affect investment returns, recognised in the Statements of Changes in Net Assets. The Scheme's price risk is managed through diversification of the investments in unit trusts within the Fund and within the underlying investments in the MITNZ. In addition, price risk may be hedged using derivative financial instruments such as options or futures within the underlying MITNZ investment portfolios.

As at 31 March, the Scheme's exposure to market price risk through investments in MITNZ investment portfolios was as follows:

Fund	2024		2023	
	\$000s	%	\$000s	%
Sustainable Conservative	768,324	33%	723,087	35%
Sustainable Plus Balanced	617,005	26%	552,964	27%
Sustainable Plus High Growth	362,706	16%	301,075	14%
Cash	34,457	1%	35,323	2%
Sustainable Plus Moderate	231,279	10%	212,575	10%
Sustainable Plus Growth	249,126	11%	209,507	10%
Sustainable Plus Shares	61,472	3%	47,925	2%
Total Unlisted Unit Trusts	2,324,369	100%	2,082,456	100%

The table below shows the sensitivity analysis in market price of the financial assets at fair value through profit or loss, if all other variables were held constant and investment markets fluctuated by the percentages disclosed below.

Fund	2024				2023			
	Net profit before membership activities		Net Assets Attributable to Members		Net profit before membership activities		Net Assets Attributable to Members	
	10% increase	10% decrease	10% increase	10% decrease	10% increase	10% decrease	10% increase	10% decrease
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Sustainable Conservative	76,832	(76,832)	76,832	(76,832)	72,309	(72,309)	72,309	(72,309)
Sustainable Plus Balanced	61,701	(61,701)	61,701	(61,701)	55,296	(55,296)	55,296	(55,296)
Sustainable Plus High Growth	36,271	(36,271)	36,271	(36,271)	30,108	(30,108)	30,108	(30,108)
Cash	3,446	(3,446)	3,446	(3,446)	3,532	(3,532)	3,532	(3,532)
Sustainable Plus Moderate	23,128	(23,128)	23,128	(23,128)	21,258	(21,258)	21,258	(21,258)
Sustainable Plus Growth	24,913	(24,913)	24,913	(24,913)	20,951	(20,951)	20,951	(20,951)
Sustainable Plus Shares	6,147	(6,147)	6,147	(6,147)	4,793	(4,793)	4,793	(4,793)
Total Unlisted Unit Trusts	232,438	(232,438)	232,438	(232,438)	208,247	(208,247)	208,247	(208,247)

MERCER KIWISAVER SCHEME
Notes to the Financial Statements
For the Year Ended 31 March 2024

11 FINANCIAL RISK MANAGEMENT (Continued)

b) Credit Risk

Credit risk represents the risk that the counterparty to the financial instrument will fail to discharge an obligation and cause the Scheme to incur a financial loss. The Scheme is directly exposed to counterparty credit risk on cash, cash equivalents and other receivables. None of these assets are impaired or past due (2023: Same).

With respect to credit risk arising from the cash and cash equivalents of the Scheme, the Scheme's exposure to credit risk arises from default of the counterparty, with the current exposure equal to the carrying amount disclosed in the Statements of Net Assets. This represents the current maximum risk exposure at the reporting date.

The scheme is indirectly exposed to credit risk in the underlying MITNZ investment portfolios. The investment managers of the MITNZ investment portfolios manage credit risk by establishing controls which are either specified in the guidelines set by the Manager or outlined in the product disclosure statement/information memorandum of underlying unit trust investments that it makes. Credit risk limitations include diversification of investments over a wide range of asset classes, companies, industries and maturities within the underlying investment portfolios. The Scheme's cash balances are held with Westpac New Zealand Limited (AA- rating, as measured by Standard & Poor's) (2023: Same).

The Scheme measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management consider the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Scheme.

c) Liquidity Risk

Liquidity risk is the risk that the Scheme will not be able to meet its financial obligations as they fall due. The Scheme's approach to managing liquidity is to ensure, as far as possible, that there will always be sufficient liquidity to meet liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Scheme's reputation.

The Scheme is exposed to daily cash redemptions of redeemable units.

The Scheme's liquidity risk is managed by investing in unlisted investment trusts which, in turn, invest in different asset classes and predominantly liquid assets.

Members are able to transfer their balances to another KiwiSaver Scheme at any time. As such, the liability for promised retirement benefits is deemed to be repayable on demand. All other financial liabilities of the Scheme are due within one month.

The Scheme has a right to request redemption of its investments in the MITNZ Investment Portfolios on a daily basis.

d) Capital Risk Management

The Scheme manages its net assets attributable to members as capital, notwithstanding net assets attributable to members is classified as a liability. The amounts of Members' funds can change significantly on a daily basis as the Funds are subject to daily applications and redemptions in accordance with the conditions of the KiwiSaver Act 2006. The Scheme's objective when managing capital is to safeguard the Scheme's ability to continue as a going concern in order to provide returns for Members and to maintain a strong capital base to support the development of the investment activities of the Scheme. In order to maintain or adjust the capital structure, the Scheme's policy is to perform the following:

- a) monitor the level of daily contributions, transfers in, transfers out and benefits relative to the assets it is able to liquidate within seven days; and
- b) redeem and issue new units in accordance with the constitutional documents of the Scheme, which include the ability to restrict redemptions and require certain minimum holdings and contributions in accordance with the KiwiSaver Act 2006. The Scheme does not have any externally imposed capital requirements.

12 CLIMATE RELATED RISK MANAGEMENT

Mercer acknowledges the wider social and economic risks posed by climate change and that for Mercer the greatest expected impact to the Scheme and Funds is the potential impact on achieving investment objectives. Members' outcomes rely on investment returns, which are directly related to the value of the underlying assets. The value of these underlying assets is increasingly expected to be impacted by climate-related risks and opportunities, and the aim is therefore to position portfolios to mitigate risks and maximise opportunities where possible.

No adjustment have been made to the carrying amount of financial instruments as a result of climate change.

Mercer is a climate reporting entity pursuant to the provisions of the Financial Markets Conduct Act 2013, as modified by the Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021. Mercer's climate statements will be available on the Climate-related Disclosures Register. For more details on climate-related risks and opportunities for the Scheme and the Funds and how Mercer manages them, please refer to the climate statements.

MERCER KIWISAVER SCHEME
Notes to the Financial Statements
For the Year Ended 31 March 2024

13 FINANCIAL INSTRUMENTS BY CATEGORY

	TOTAL		Sustainable Conservative		Sustainable Plus Balanced		Sustainable Plus High Growth	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
ASSETS								
Financial assets at fair value through profit or loss								
Financial assets at fair value through profit or loss	2,324,369	2,082,456	768,324	723,087	617,005	552,964	362,706	301,075
Total financial assets at fair value through profit or loss	2,324,369	2,082,456	768,324	723,087	617,005	552,964	362,706	301,075
Financial assets at amortised cost								
Cash and cash equivalents	15,217	18,555	1,281	3,019	3,645	3,937	5,221	4,629
Investment management fees receivable	705	415	-	-	311	191	181	105
Other receivables	4,274	100	3,106	100	32	-	16	-
Total financial assets at amortised cost	20,196	19,070	4,387	3,119	3,988	4,128	5,418	4,734
Total financial assets	2,344,565	2,101,526	772,711	726,206	620,993	557,092	368,124	305,809
LIABILITIES								
Financial liabilities at amortised cost								
Unallocated contributions	1,618	887	529	365	332	199	348	121
Benefits payable	2,591	1,665	1,179	743	591	470	152	79
Investment management fees payable	-	-	21	25	-	-	-	-
Supervisor fees payable	57	55	19	19	15	15	9	8
Manager fees (expense recoveries) payable	60	256	19	89	16	68	10	37
Net assets attributable to members	2,323,123	2,109,539	761,471	728,190	617,242	559,619	366,905	307,447
Total financial liabilities at amortised cost	2,327,449	2,112,402	763,238	729,431	618,196	560,371	367,424	307,692

MERCER KIWISAVER SCHEME
Notes to the Financial Statements
For the Year Ended 31 March 2024

13 FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

	Cash		Sustainable Plus Moderate		Sustainable Plus Growth		Sustainable Plus Shares	
	2024	2023	2024	2023	2024	2023	2024	2023
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
ASSETS								
Financial assets at fair value through profit or loss								
Financial assets at fair value through profit or loss	34,457	35,323	231,279	212,575	249,126	209,507	61,472	47,925
Total financial assets at fair value through profit or loss	34,457	35,323	231,279	212,575	249,126	209,507	61,472	47,925
Financial assets at amortised cost								
Cash and cash equivalents	776	224	571	2,463	2,754	3,821	969	462
Investment management fees receivable	2	3	112	71	125	74	-	-
Other receivables	4	-	271	-	17	-	828	-
Total financial assets at amortised cost	782	227	954	2,534	2,896	3,895	1,797	462
Total financial assets	35,239	35,550	232,233	215,109	252,022	213,402	63,269	48,387
LIABILITIES								
Financial liabilities at amortised cost								
Unallocated contributions	29	10	187	80	155	91	38	21
Benefits payable	191	29	234	150	185	191	59	3
Investment management fees payable	-	-	-	-	-	-	5	4
Supervisor fees payable	1	1	6	6	6	5	1	1
Manager fees (expense recoveries) payable	-	4	6	26	7	26	2	6
Net assets attributable to members	34,553	35,278	230,274	215,802	250,812	214,451	61,866	48,752
Total financial liabilities at amortised cost	34,774	35,322	230,707	216,064	251,165	214,764	61,971	48,787

At 31 March 2024 the carrying amount of financial assets and financial liabilities at amortised cost approximates their fair value (2023: Same).

MERCER KIWISAVER SCHEME
Notes to the Financial Statements
For the Year Ended 31 March 2024

14 UNITS ON ISSUE

	TOTAL		Sustainable Conservative		Sustainable Plus Balanced		Sustainable Plus High Growth	
	2024	2023	2024	2023	2024	2023	2024	2023
	000s	000s	000s	000s	000s	000s	000s	000s
Units on issue at the beginning of the year	1,252,407	1,211,262	431,442	422,496	310,239	301,553	154,707	144,450
Units issued during the year	275,796	288,838	97,136	108,365	59,695	60,412	32,378	33,063
Units redeemed during the year	(267,302)	(247,693)	(102,643)	(99,419)	(57,708)	(51,726)	(25,712)	(22,806)
Units on Issue at the end of the year	1,260,901	1,252,407	425,935	431,442	312,226	310,239	161,373	154,707

	Cash		Sustainable Plus Moderate		Sustainable Plus Growth		Sustainable Plus Shares	
	2024	2023	2024	2023	2024	2023	2024	2023
	000s	000s	000s	000s	000s	000s	000s	000s
Units on issue at the beginning of the year	25,309	21,231	164,472	164,820	138,124	130,803	28,114	25,909
Units issued during the year	11,536	16,035	36,869	34,103	29,960	29,524	8,222	7,336
Units redeemed during the year	(13,048)	(11,957)	(37,752)	(34,451)	(24,621)	(22,203)	(5,818)	(5,131)
Units on Issue at the end of the year	23,797	25,309	163,589	164,472	143,463	138,124	30,518	28,114

15 CONTINGENT LIABILITY, ASSET AND COMMITMENTS

There were no material contingent liabilities or commitments as at 31 March 2024.

16 EVENTS AFTER BALANCE DATE

The financial statements have been prepared based upon conditions existing at 31 March 2024 and considering those events occurring subsequent to that date, that provide evidence of conditions that existed at the end of the reporting period.



Independent auditor's report

To the members of Mercer KiwiSaver Scheme (the "Scheme") which comprises:

- Sustainable Conservative
- Sustainable Plus Balanced
- Sustainable Plus High Growth
- Cash
- Sustainable Plus Moderate
- Sustainable Plus Growth
- Sustainable Plus Shares

(Collectively referred to as the "Funds")

Our opinion

In our opinion, the accompanying financial statements of the Funds and the Scheme present fairly, in all material respects, the financial position of the Funds and the Scheme as at 31 March 2024, their financial performance and their cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards Accounting Standards (IFRS Accounting Standards).

What we have audited

The Funds' and the Scheme's financial statements comprise:

- the statements of net assets as at 31 March 2024;
- the statements of changes in net assets for the year then ended;
- the statements of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

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

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



Independence

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

We have provided the following services to Mercer (N.Z.) Limited ("the Manager"): controls assurance reporting, collective registry compliance assurance reporting, tax compliance, tax pooling and tax advisory services, the audit of financial statements of other funds and schemes managed by the Manager and reporting to the Trustee for certain wholesale funds managed by the Manager. Subject to certain restrictions, employees of our firm may invest in the Funds and the Scheme on normal terms within the ordinary course of trading activities of the Funds and the Scheme. These services and relationships have not impaired our independence as auditor of the Funds and the Scheme.

Key audit matters

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

Description of the key audit matter	How our audit addressed the key audit matter
<p>Valuation and existence of financial assets at fair value through profit or loss</p> <p>Refer to note 5 of the financial statements for the reported values of financial assets at fair value through profit or loss.</p> <p>This was an area of focus for our audit as it represents the majority of the net assets attributable to members of the Funds and the Scheme.</p> <p>Valuation</p> <p>The Funds and the Scheme invest solely into the investment portfolios within Mercer Investment Trusts New Zealand (MITNZ). MITNZ are unlisted unit trusts which are also managed by the Manager.</p> <p>The fair value of the investments in MITNZ investment portfolios are categorised as level 2 in the fair value hierarchy. The fair value is based on the redemption price established by the investment administrator of MITNZ.</p>	<p>We assessed the processes employed by the Manager, for recording and valuing the financial assets at fair value through profit or loss including the relevant controls operated by a third-party service organisation, the Administrator. Our assessment of the processes included obtaining the internal controls report over investment administration provided by the Administrator.</p> <p>We evaluated the evidence provided by the internal controls report over the design and operating effectiveness of the relevant controls operated by the Administrator.</p> <p>For valuation of financial assets at fair value through profit or loss we agreed the redemption price used by the Manager at the reporting date to the confirmation provided by the investment administrator of MITNZ. We evaluated whether the redemption price represents fair value by comparing the redemption price at the reporting date to the net asset</p>



Description of the key audit matter	How our audit addressed the key audit matter
<p>Existence Holdings of the financial assets at fair value through profit or loss are held by the Custodian on behalf of the Funds and the Scheme.</p>	<p>value per unit calculated based on the 31 March 2024 audited financial statements of MITNZ and recent transaction prices. We confirmed the financial assets at fair value through profit or loss as at 31 March 2024 recognised in the financial statements of the Funds and the Scheme with the Custodian.</p>

Our audit approach

Overview

<p>Materiality</p>	<p>We determined materiality for each Fund and the Scheme separately. Our materiality for each Fund and the Scheme is calculated based on approximately 1% of net assets attributable to members for each Fund and the Scheme. We chose net assets attributable to members as the benchmark because, in our view, the objective of the Funds and the Scheme is to provide members with a total return on the Funds' and the Scheme's net assets, taking into account both capital and income returns.</p>
<p>Key audit matters</p>	<p>As reported above, we have one key audit matter, being valuation and existence of financial assets at fair value through profit or loss.</p>

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

Materiality

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

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



How we tailored our audit scope

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

The Manager is responsible for the governance and control activities of the Funds and the Scheme. The Funds' and the Scheme's investments are held by the Custodian.

Other information

The Manager is responsible for the other information. The other information comprises the information included in the annual report and the climate statements but does not include the financial statements and our auditor's report thereon which the annual report will refer to. The other information we obtained prior to the date of this auditor's report comprised the climate statements. The remaining other information is expected to be made available to us after that date.

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

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

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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.

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

Responsibilities of the Manager for the financial statements

The Manager is responsible for the preparation and fair presentation of the financial statements in accordance with NZ IFRS and IFRS Accounting 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 each Fund's and the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate a Fund or the Scheme or to cease operations, or has no realistic alternative but to do so.



Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at:

<https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-1/>

This description forms part of our auditor's report.

Who we report to

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

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

For and on behalf of:

A handwritten signature in black ink that reads 'PricewaterhouseCoopers' in a cursive script.

Chartered Accountants
16 July 2024

Wellington