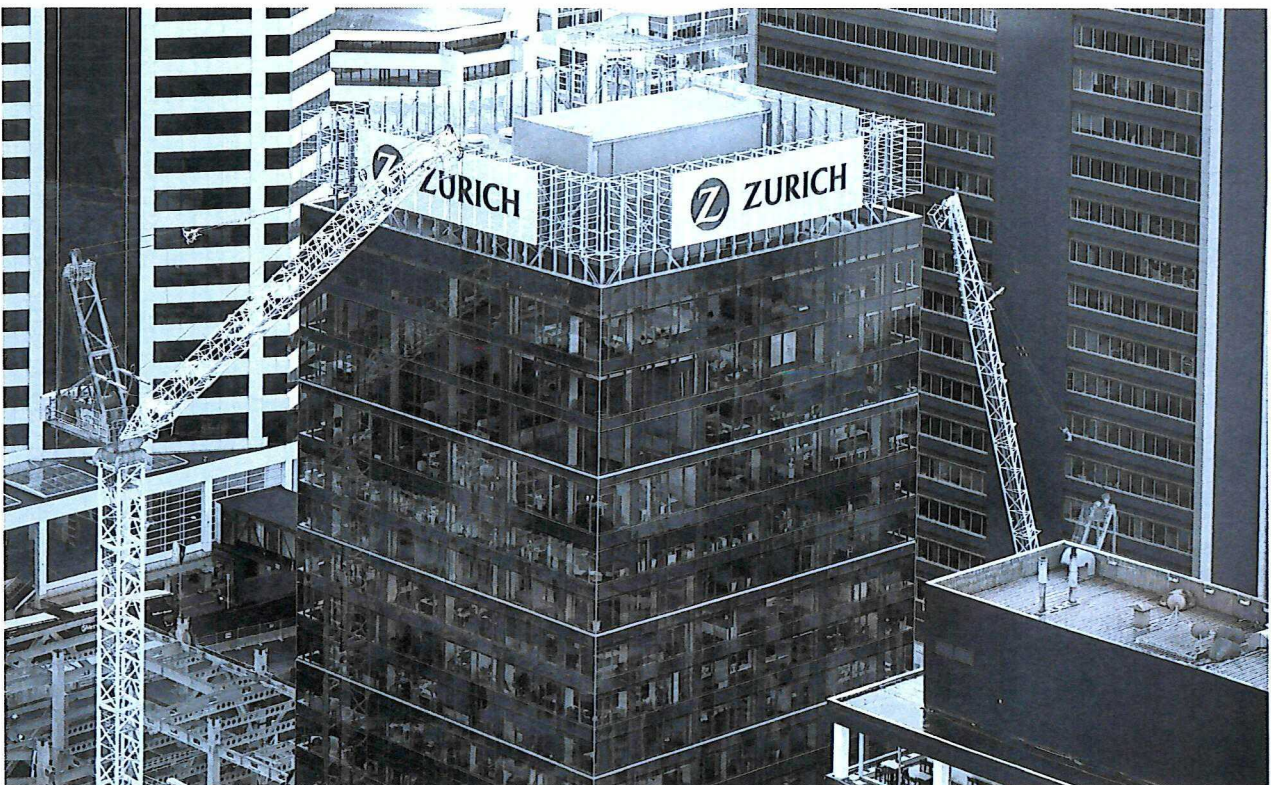


NZ Funds Managed KiwiSaver Scheme

Audited financial statements



For the year ended 31 March 2019

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Independent auditor's report to the Members of the NZ Funds Kiwisaver Scheme

Opinion

We have audited the financial statements of the NZ Funds Kiwisaver Scheme ("the Scheme") and the Income Strategy, Inflation Strategy and Growth Strategy (each a "Strategy" and collectively the "Strategies", being the Strategies of the Scheme) on pages 5 to 31, which comprise the statement of net assets available for benefits of each Strategy and the Scheme as at 31 March 2019, and the statement of changes in net assets available for benefits and statement of cash flows for the year then ended of each Strategy and the Scheme, and the notes to the financial statements including a summary of significant accounting policies.

In our opinion, the financial statements on pages 5 to 31 present fairly, in all material respects, the financial position of each Strategy and the Scheme as at 31 March 2019 and their financial performance and cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

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

Basis for opinion

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

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

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

Ernst & Young provides taxation and other assurance related services to the Manager of the Scheme and other assurance services to the Scheme. We have no other relationship with, or interest in, the Strategies or the Scheme.

Key audit matters

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

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

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

Investments

Why significant

- ▶ Each Strategy's and the Scheme's trading portfolio assets represent over 99% of the respective Strategy's and Scheme's total assets.
- ▶ As detailed in the accounting policies, detailed in Note 3 to the financial statements, these financial assets are recognised at fair value through profit or loss, in accordance with NZ IFRS 9 *Financial Instruments*.
- ▶ Volatility and other market drivers can have a significant impact on the value of these financial assets and the financial statements, therefore the recognition and measurement of the investment portfolio is considered a key area of audit focus.
- ▶ Disclosures regarding each Strategy's and the Scheme's investments are included in Notes 8, 9 and 10 in the financial statements.

How our audit addressed the key audit matter

Our audit procedures included:

- ▶ Gained an understanding of the process used to record investment transactions and the revaluation of the trading portfolio assets.
- ▶ For units of assets directly held by the Strategies and Scheme (with the exception of investments in unlisted unit funds), received third party confirmations directly from counterparties and recalculated the valuation for a sample of the Strategies' and Scheme's investments at balance date. To validate the fair value in accordance with NZ IFRS 13 *Fair Value Measurement* of the sample, we agreed the price used for valuation purposes to an independent source.
- ▶ For investments in unlisted unit funds held by the Strategies and Scheme, we reconciled the total of the recorded value for each fund by the Strategies and Scheme to the net asset value of that fund. We verified the existence and valuation of a sample of investments held by each fund to independent sources to provide evidence of the fund's net asset value. We tested a sample of applications and redemptions of the funds to gain evidence of the appropriateness of the proportion of each fund held by each Strategy and the Scheme.
- ▶ Assessed whether the disclosures in the financial statements appropriately reflect the Strategies' and Scheme's exposure to financial instrument risk with reference to NZ IFRS 7 *Financial Instruments: Disclosures*.

Information other than the financial statements and auditor's report

The Manager of the Scheme are responsible for the Annual Report, which includes information other than the financial statements and auditor's report.

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



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

If, based upon the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Manager's responsibilities for the financial statements

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

In preparing the financial statements, the Manager is responsible for assessing on behalf of the Strategies and the Scheme, the Strategies' and 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 the Strategies' or Scheme or 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 International Standards on Auditing (New Zealand) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Chartered Accountants
Auckland
5 July 2019

Statement of Changes in Net Assets Available for Benefits

FOR THE YEAR ENDED 31 MARCH 2019

	NOTE	INCOME STRATEGY		INFLATION STRATEGY	
		2019	2018	2019	2018
		\$000	\$000	\$000	\$000
MEMBERSHIP ACTIVITIES					
Contributions Received					
Employer Contributions		790	691	1,272	2,387
Government Contributions		283	255	474	915
Member Contributions		2,247	1,667	3,635	5,824
Switches In		3,081	5,032	1,812	6,095
Transfers In from Other Schemes		2,467	1,452	2,966	5,626
Total Contributions and Switches In		8,868	9,097	10,159	20,847
Deduct:					
Administration Fees		(30)	(27)	(46)	(78)
Withdrawals		(1,862)	(1,680)	(1,600)	(2,564)
PIE Tax Expense		(121)	(78)	(157)	(169)
Switches Out		(786)	(1,347)	(776)	(41,368)
Transfers Out To Other Schemes		(840)	(731)	(1,233)	(2,268)
Net Membership Activities		5,229	5,234	6,347	(25,600)
INVESTMENT ACTIVITIES					
Rebate Received		-	-	1	-
Net Trading Gains		1,513	660	2,937	2,810
Net Investment Gain		1,513	660	2,938	2,810
Expenses					
Fees and Expenses	12	(292)	(219)	(548)	(877)
Total Expenses		(292)	(219)	(548)	(877)
Membership and Investment Activities Before Taxation		6,450	5,675	8,737	(23,667)
Taxation Expense		-	-	-	-
Benefits Accrued		6,450	5,675	8,737	(23,667)
INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS		6,450	5,675	8,737	(23,667)

The accompanying notes form part of these financial statements.

Statement of Changes in Net Assets Available for Benefits

FOR THE YEAR ENDED 31 MARCH 2019

	NOTE	GROWTH STRATEGY		TOTAL OF THE SCHEME	
		2019	2018	2019	2018
		\$000	\$000	\$000	\$000
MEMBERSHIP ACTIVITIES					
Contributions Received					
Employer Contributions		5,785	4,091	7,847	7,169
Government Contributions		2,068	1,490	2,825	2,660
Member Contributions		12,741	8,284	18,623	15,775
Switches In		1,163	39,709	6,056	50,836
Transfers In from Other Schemes		11,212	7,326	16,645	14,404
Total Contributions and Switches In		32,969	60,900	51,996	90,844
Deduct:					
Administration Fees		(195)	(154)	(271)	(259)
Withdrawals		(2,921)	(1,642)	(6,383)	(5,886)
PIE Tax Expense		(397)	(570)	(675)	(817)
Switches Out		(4,494)	(8,121)	(6,056)	(50,836)
Transfers Out To Other Schemes		(5,128)	(3,567)	(7,201)	(6,566)
Net Membership Activities		19,834	46,846	31,410	26,480
INVESTMENT ACTIVITIES					
Rebate Received		4	-	5	-
Net Trading Gains		7,983	7,675	12,433	11,145
Net Investment Gain		7,987	7,675	12,438	11,145
Expenses					
Fees and Expenses	12	(2,205)	(1,361)	(3,045)	(2,457)
Manager's Expense Contributions		(2,205)	(1,361)	(3,045)	(2,457)
Total Expenses					
Membership and Investment Activities Before Taxation		25,616	53,160	40,803	35,168
Taxation Expense		-	-	-	-
Benefits Accrued		25,616	53,160	40,803	35,168
INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS		25,616	53,160	40,803	35,168

The accompanying notes form part of these financial statements.

Statement of Net Assets Available for Benefits

AS AT 31 MARCH 2019

	NOTE	INCOME STRATEGY		INFLATION STRATEGY	
		2019	2018	2019	2018
		\$000	\$000	\$000	\$000
ASSETS					
Cash and Cash Equivalents		73	13	117	32
Receivables	7	21	15	7	619
Trading Portfolio Assets	8	30,580	24,109	47,286	37,538
TOTAL ASSETS		30,674	24,137	47,410	38,189
LIABILITIES					
Payables	13	387	300	652	168
NET ASSETS AVAILABLE FOR BENEFITS		30,287	23,837	46,758	38,021
Represented by:					
LIABILITY FOR RETIREMENT BENEFITS	11	30,287	23,837	46,758	38,021

For and on behalf of the manager, New Zealand Funds Management Limited,
who authorised the issue of these financial statements on 4 July 2019.


Director


Director

Statement of Net Assets Available for Benefits

AS AT 31 MARCH 2019

	NOTE	GROWTH STRATEGY		TOTAL OF THE SCHEME	
		2019	2018	2019	2018
		\$000	\$000	\$000	\$000
ASSETS					
Cash and Cash Equivalents		379	222	569	267
Receivables	7	2	145	30	779
Trading Portfolio Assets	8	166,294	139,323	244,160	200,970
TOTAL ASSETS		166,675	139,690	244,759	202,016
LIABILITIES					
Payables	13	2,157	788	3,196	1,256
NET ASSETS AVAILABLE FOR BENEFITS		164,518	138,902	241,563	200,760
Represented by:					
LIABILITY FOR RETIREMENT BENEFITS	11	164,518	138,902	241,563	200,760

The accompanying notes form part of these financial statements.

Statement of Cash Flows
FOR THE YEAR ENDED 31 MARCH 2019

	INCOME STRATEGY		INFLATION STRATEGY	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash was provided from:				
Rebate received	-	-	1	-
Sale of Investments	2,308	1,884	2,101	42,651
	<u>2,308</u>	<u>1,884</u>	<u>2,102</u>	<u>42,651</u>
Cash was applied to:				
Management Fees	248	188	513	773
Trustee Fees	8	7	14	22
Other Expenses	30	22	55	74
Purchase of Investments	7,274	7,145	8,807	15,739
	<u>7,560</u>	<u>7,362</u>	<u>9,389</u>	<u>16,608</u>
NET CASH FLOWS USED IN OPERATING ACTIVITIES	(5,252)	(5,478)	(7,287)	26,043
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash was provided from:				
Employer Contributions	790	691	1,270	2,388
Government Contributions	283	255	474	915
Member Contributions	2,247	1,667	3,635	5,825
Switches In	3,081	5,060	2,320	6,036
Transfers In from Other Schemes	2,467	1,452	2,966	5,626
	<u>8,868</u>	<u>9,125</u>	<u>10,665</u>	<u>20,790</u>
Cash was applied to:				
Administration Fees	28	27	43	81
Withdrawals	1,860	1,694	1,586	2,553
PIE Tax Payment	(148)	71	(272)	96
Switches Out	1,019	1,135	776	41,873
Transfer Fees	-	-	-	-
Transfers Out	797	727	1,160	2,263
	<u>3,556</u>	<u>3,654</u>	<u>3,293</u>	<u>46,866</u>
NET CASH FLOWS FROM FINANCING ACTIVITIES	5,312	5,471	7,372	(26,076)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS				
	60	(7)	85	(33)
Cash at Beginning of Period	13	20	32	65
CLOSING CASH AND CASH EQUIVALENTS CARRIED FORWARD	73	13	117	32

The accompanying notes form part of these financial statements.

Statement of Cash Flows

FOR THE YEAR ENDED 31 MARCH 2019

	INCOME STRATEGY		INFLATION STRATEGY	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
RECONCILIATION OF CHANGE IN NET ASSETS AVAILABLE FOR BENEFITS TO CASH FLOWS FROM OPERATING ACTIVITIES				
Increase in Net Assets Available for Benefits	6,450	5,675	8,737	(23,667)
Add/(Less) Items Classified as Financing Activities:				
Employer Contributions	(790)	(691)	(1,270)	(2,388)
Government Contributions	(283)	(255)	(474)	(915)
Member Contributions	(2,247)	(1,667)	(3,635)	(5,825)
Switches In	(3,081)	(5,060)	(2,320)	(6,036)
Transfers In from Other Schemes	(2,467)	(1,452)	(2,966)	(5,626)
Administration Fees	28	27	43	81
Withdrawals	1,860	1,694	1,586	2,553
PIE Tax Expense	(148)	71	(272)	96
Switches Out	1,019	1,135	776	41,873
Transfer Fees	-	-	-	-
Transfers Out	797	727	1,160	2,263
Add/(Less) Movements in Working Capital Items:				
Increase in Trading Portfolio Assets	(6,471)	(5,928)	(9,748)	24,213
Decrease/(Increase) in Receivables	(6)	12	612	(603)
Increase/(Decrease) in Payables	87	234	484	24
NET CASH FLOWS USED IN OPERATING ACTIVITIES	(5,252)	(5,478)	(7,287)	26,043

The accompanying notes form part of these financial statements.

Statement of Cash Flows
FOR THE YEAR ENDED 31 MARCH 2019

	GROWTH STRATEGY		TOTAL OF THE SCHEME	
	2019	2018	2019	2018
	\$000	\$000	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash was provided from:				
Rebate received	4	-	5	-
Sale of Investments	8,684	8,586	13,093	53,121
	8,688	8,586	13,098	53,121
Cash was applied to:				
Management Fees	1,934	1,201	2,695	2,162
Trustee Fees	48	31	70	60
Other Expenses	165	102	250	198
Purchase of Investments	27,497	54,571	43,578	77,455
	29,644	55,905	46,593	79,875
NET CASH FLOWS USED IN OPERATING ACTIVITIES	(20,956)	(47,319)	(33,495)	(26,754)
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash was provided from:				
Employer Contributions	5,785	4,089	7,845	7,168
Government Contributions	2,068	1,489	2,825	2,659
Member Contributions	12,741	8,283	18,623	15,775
Switches In	1,162	39,868	6,563	50,964
Transfers In from Other Schemes	11,212	7,325	16,645	14,403
	32,968	61,054	52,501	90,969
Cash was applied to:				
Administration Fees	179	151	250	259
Withdrawals	2,913	1,627	6,359	5,874
PIE Tax Payment	(1,043)	350	(1,463)	517
Switches Out	4,768	7,956	6,563	50,964
Transfer Fees	-	1	-	1
Transfers Out	5,038	3,509	6,995	6,499
	11,855	13,594	18,704	64,114
NET CASH FLOWS FROM FINANCING ACTIVITIES	21,113	47,460	33,797	26,855
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS				
	157	141	302	101
Cash at Beginning of Period	222	81	267	166
CLOSING CASH AND CASH EQUIVALENTS CARRIED FORWARD	379	222	569	267

Statement of Cash Flows

FOR THE YEAR ENDED 31 MARCH 2019

	GROWTH STRATEGY		TOTAL OF THE SCHEME	
	2019	2018	2019	2018
	¥000	¥000	¥000	¥000
RECONCILIATION OF CHANGE IN NET ASSETS AVAILABLE FOR BENEFITS TO CASH FLOWS FROM OPERATING ACTIVITIES				
Increase in Net Assets Available for Benefits	25,616	53,160	40,803	35,168
Add/(Less) Items Classified as Financing Activities:				
Employer Contributions	(5,785)	(4,089)	(7,845)	(7,168)
Government Contributions	(2,068)	(1,489)	(2,825)	(2,659)
Member Contributions	(12,741)	(8,283)	(18,623)	(15,775)
Switches In	(1,162)	(39,868)	(6,563)	(50,964)
Transfers In from Other Schemes	(11,212)	(7,325)	(16,645)	(14,403)
Administration Fees	179	151	250	259
Withdrawals	2,913	1,627	6,359	5,874
PIE Tax Expense	(1,043)	350	(1,463)	517
Switches Out	4,768	7,956	6,563	50,964
Transfer Fees	-	1	-	1
Transfers Out	5,038	3,509	6,995	6,499
Add/(Less) Movements in Working Capital Items:			-	-
Increase in Trading Portfolio Assets	(26,971)	(53,516)	(43,190)	(35,231)
Decrease/(Increase) in Receivables	143	(96)	749	(687)
Increase/(Decrease) in Payables	1,369	593	1,940	851
NET CASH FLOWS USED IN OPERATING ACTIVITIES	(20,956)	(47,319)	(33,495)	(26,754)

Notes to and forming part of the Financial Statements

FOR THE YEAR ENDED 31 MARCH 2019

1. REPORTING ENTITIES

The reporting entity is the NZ Funds KiwiSaver Scheme ('the Scheme') which comprises the Income Strategy; the Inflation Strategy; and the Growth Strategy ('the Strategies'). The New Zealand Guardian Trust Company Limited is the Supervisor of the Scheme. The Scheme is governed by the NZ Funds KiwiSaver Scheme Master Trust Deed dated 21 September 2010 (as amended and consolidated on 12 October 2016) ('Trust Deed').

Units in the Scheme are offered under the managed investment scheme called the "NZ Funds KiwiSaver Scheme", scheme number SCH10783. The Scheme is a defined contribution scheme and is registered under the KiwiSaver Act 2006. The registration number is 10072. Under the terms of the Trust Deed, contributions can be made by or on behalf of the Scheme's members, by their employers and by the Government. The retirement benefits are determined by contributions to the Scheme together with net investment earnings on these contributions over the period of the membership. The Trust Deed sets out the basis on which the Scheme can be terminated.

New Zealand Funds Management Limited ('NZ Funds') is the Manager of the Scheme. Link Market Services is the administration manager of the Scheme ('Administration Manager'). The Scheme is incorporated and resident in New Zealand. The registered office of the Scheme is the same as NZ Funds, refer to the *Directory* for details.

2. BASIS OF PREPARATION

a) Statement of compliance

The Scheme's financial statements have been prepared in accordance with the Generally Accepted Accounting Practice in New Zealand ('NZ GAAP'), the KiwiSaver Act 2006, the KiwiSaver Amendment Act 2011, the Financial Markets Conduct Act 2013 and the Trust Deed. They comply with New Zealand Equivalents to International Financial Reporting Standards ('NZ IFRS') and other applicable Financial Reporting Standards, as appropriate for profit oriented entities. These financial statements also comply with International Financial Reporting Standards ('IFRS').

b) Going concern

The financial statements have been prepared on a going concern basis. NZ Funds is not aware of any material uncertainty that may cast significant doubt on the Scheme's ability to continue as a going concern.

c) Basis of measurement

The financial statements have been prepared on a fair value basis, except for assets classified as loans and receivables, and liabilities classified as payables, which are carried at amortised cost.

d) Functional and presentation currency

Items included in the financial statements of the Scheme are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The Scheme primarily operates in New Zealand, issuing securities predominantly to New Zealand clients and carrying out its day-to-day business activities in New Zealand. The financial statements are prepared in New Zealand Dollars ('NZD'), which is the Scheme's functional and reporting currency. Where indicated, financial information presented in NZD has been rounded to the nearest thousand.

e) Use of estimates

In preparing the financial statements in conformity with NZ IFRS, NZ Funds is required to make certain estimates, judgements and assumptions that affect reported income, expenses, assets and liabilities. The key judgements required in preparing these financial statements relate to the determination of fair value for financial instruments, refer to Note 3(h) *Significant accounting policies* for details.

3. SIGNIFICANT ACCOUNTING POLICIES

The following significant accounting policies have been applied consistently to all years presented in these financial statements.

a) Classification

The Strategies classify financial assets and financial liabilities at initial recognition into the following categories:

- (i) Financial assets or financial liabilities measured at fair value through profit or loss ("FVPL"). This category of financial assets and liabilities at FVPL is sub-divided into:
 - (a) Financial instruments designated as at FVPL upon initial recognition - Financial assets and liabilities are measured at fair value through profit or loss if at initial recognition they are part of a group of financial assets that are managed and have their performance evaluated on a fair value basis, in accordance with risk management and investment strategies of the Scheme, as set out in the Scheme's offering document and this recognition eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different base. This category includes trading portfolio assets.
 - (b) Financial assets and liabilities held for trading - Financial assets and liabilities are classified as held for trading if they are acquired for the purpose of selling and/or repurchasing in the near term. These assets are acquired principally for the purpose of generating a profit from short-term fluctuations in price. All derivatives instruments are classified as held for trading. The Scheme policy is not to apply hedge accounting.
- (ii) Financial assets at amortised cost. This category includes cash and cash equivalents, margin on derivatives and receivables from other unit trusts.
- (iii) Other financial liabilities. All financial liabilities, other than those classified as at FVPL. This category includes amounts payable to the Supervisor, the Manager, other service providers, payables to other unit trusts and other accruals.

b) Recognition

The Scheme uses trade date accounting when recording trading portfolio assets. The trade date is the date that an entity commits itself to purchase or sell an asset. On the trade date, the Scheme recognises an asset to be received and the liability to pay for it, derecognises an asset that is sold, and recognises any gain or loss on disposal and a receivable from the buyer for payment. Generally, interest does not start to accrue on the asset and corresponding liability until the settlement date, when title passes.

c) Derecognition

The Scheme may enter into transactions where it transfers financial assets recognised on its Statement of Net Assets Available for Benefits, but retains either all of the risks and rewards of the transferred assets, or a portion of them. If all, or substantially all, the risks and rewards are retained, the transferred assets are not derecognised from the Statement of Net Assets Available for Benefits.

For transactions where substantially all the risks and rewards of ownership of a financial asset are neither retained nor transferred, the Scheme derecognises the financial asset to the extent that control over the financial asset is lost. If the Scheme has retained control, it shall continue to recognise the financial asset to the extent of its continuing involvement in the financial asset.

d) Initial Measurement

Financial assets and financial liabilities at FVPL are recorded in the Statement of Net Assets Available for Benefits at fair value. All transaction costs for such instruments are recognised directly in profit or loss.

Financial assets at amortised costs or other liabilities (other than those classified as at FVPL) are measured initially at their fair value plus or minus any directly attributable incremental costs of acquisition or issue.