

**Westpac KiwiSaver Scheme
Financial Statements
For the year ended 31 March 2025**

**Westpac KiwiSaver Scheme
Manager's Statement
For the year ended 31 March 2025**

In the opinion of the Manager, BT Funds Management (NZ) Limited, the accompanying financial statements have been prepared to present fairly the financial position and results of the Westpac KiwiSaver Scheme for the year ended 31 March 2025.

The Westpac KiwiSaver Scheme comprises the following funds:

- Cash Fund;
- Defensive Conservative Fund;
- Conservative Fund;
- Moderate Fund;
- Balanced Fund;
- Growth Fund;
- Default Balanced Fund; and
- High Growth Fund (established 31 July 2024).

The directors of BT Funds Management (NZ) Limited authorised these financial statements for issue on 29 July 2025.

For and on behalf of the Manager



David Green
Director



Catherine McGrath
Director

29 July 2025

Westpac KiwiSaver Scheme Statements of Changes in Net Assets

		Cash Fund		Defensive Conservative Fund		Conservative Fund		Moderate Fund		Balanced Fund			
For the year ended 31 March:		2025	2024	2025	2024	2025	2024	2025	2024	2025	2024		
Note		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
Investment income													
		Interest income on financial assets at amortised cost	4	261	278	144	116	1,549	1,294	497	413	1,235	873
		Net gains on financial assets at fair value through profit or loss	4	35,753	36,144	12,755	17,088	169,537	236,137	48,191	74,998	129,698	237,622
		Net investment income		36,014	36,422	12,899	17,204	171,086	237,431	48,688	75,411	130,933	238,495
Expenses													
		Management fees	4	1,580	1,535	953	916	12,643	12,019	3,460	3,125	11,081	10,069
		Total expenses		1,580	1,535	953	916	12,643	12,019	3,460	3,125	11,081	10,069
		Net profit before membership activities		34,434	34,887	11,946	16,288	158,443	225,412	45,228	72,286	119,852	228,426
Membership activities													
Contributions													
		Member contributions		40,683	43,283	17,030	16,469	179,964	183,309	64,628	56,545	124,680	123,649
		Employer contributions		18,646	20,299	6,632	7,489	84,819	93,016	19,882	20,685	47,718	50,609
		Crown contributions		6,807	7,302	2,400	2,683	30,713	33,555	6,802	6,998	16,008	16,959
		Switches in		99,206	47,062	26,000	11,876	79,565	38,285	53,690	33,989	77,244	49,431
		Transfers in from other superannuation schemes		21,010	15,992	2,931	3,183	28,985	25,200	23,517	19,364	30,610	21,240
Redemptions													
		Switches out		(67,875)	(52,674)	(29,264)	(20,277)	(169,999)	(106,657)	(74,152)	(41,543)	(171,419)	(78,802)
		Transfers to other superannuation schemes		(24,851)	(19,534)	(8,748)	(7,554)	(118,714)	(89,918)	(30,205)	(23,544)	(88,980)	(68,145)
		Retirement		(39,246)	(39,757)	(8,411)	(12,299)	(117,289)	(137,627)	(34,762)	(50,063)	(80,804)	(82,616)
		Death and serious illness		(2,641)	(3,075)	(3,938)	(3,592)	(17,416)	(11,420)	(7,633)	(5,005)	(10,616)	(7,193)
		Significant financial hardships		(5,151)	(3,000)	(1,491)	(1,012)	(21,906)	(14,321)	(3,527)	(2,263)	(6,358)	(4,198)
		First home purchases		(32,807)	(23,986)	(6,191)	(4,982)	(59,978)	(43,010)	(12,100)	(8,430)	(24,590)	(19,382)
		Other permitted redemptions		(766)	(643)	(352)	(319)	(2,762)	(1,908)	(387)	(567)	(2,261)	(1,855)
Other membership activities													
		Members' PIE tax		(7,981)	(7,972)	(2,096)	(2,252)	(26,389)	(28,935)	(6,013)	(6,588)	(10,852)	(14,322)
		Net membership activities		5,034	(16,703)	(5,498)	(10,587)	(130,407)	(60,431)	(260)	(422)	(99,620)	(14,625)
		Net benefits accrued to Members		39,468	18,184	6,448	5,701	28,036	164,981	44,968	71,864	20,232	213,801
		Balance at the beginning of the year		617,024	598,840	233,675	227,974	3,110,967	2,945,986	826,392	754,528	2,156,287	1,942,486
		Balance at the end of the year		656,492	617,024	240,123	233,675	3,139,003	3,110,967	871,360	826,392	2,176,519	2,156,287

The accompanying notes are an integral part of these Financial Statements.

Westpac KiwiSaver Scheme Statements of Changes in Net Assets

		Growth Fund		Default Balanced Fund		High Growth Fund*	Total Scheme		
For the year/period ended 31 March:		2025	2024	2025	2024	2025	2025	2024	
Note		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Investment income									
	Interest income at financial assets at amortised cost	4	1,535	1,367	520	355	53	5,794	4,696
	Net gains/(losses) on financial assets at fair value through profit or loss	4	209,908	396,350	47,730	75,745	(9,926)	643,646	1,074,084
Net investment income/(loss)			211,443	397,717	48,250	76,100	(9,873)	649,440	1,078,780
Expenses									
	Management fees	4	18,545	15,422	3,388	2,689	1,193	52,843	45,775
Total expenses			18,545	15,422	3,388	2,689	1,193	52,843	45,775
Net profit/(loss) before membership activities			192,898	382,295	44,862	73,411	(11,066)	596,597	1,033,005
Membership activities									
Contributions									
	Member contributions		230,796	217,737	97,337	85,841	17,270	772,388	726,834
	Employer contributions		103,199	101,702	48,826	48,472	7,758	337,480	342,272
	Crown contributions		34,069	32,330	15,847	14,745	(8) **	112,638	114,572
	Switches in		213,964	180,216	31,625	17,145	455,273	-	-
	Transfers in from other superannuation schemes		81,914	68,493	19,133	14,480	42,109	250,209	167,952
Redemptions									
	Switches out		(463,634)	(57,117)	(32,872)	(20,934)	(27,352)	-	-
	Transfers to other superannuation schemes		(246,347)	(173,256)	(64,294)	(44,074)	(21,283)	(603,422)	(426,025)
	Retirement		(39,073)	(33,486)	(12,896)	(11,230)	(319)	(332,800)	(367,078)
	Death and serious illness		(8,818)	(6,223)	(2,031)	(1,482)	(127)	(53,220)	(37,990)
	Significant financial hardships		(13,395)	(6,750)	(4,081)	(2,353)	(561)	(56,470)	(33,897)
	First home purchases		(47,459)	(32,832)	(9,219)	(5,773)	(1,201)	(193,545)	(138,395)
	Other permitted redemptions		(4,369)	(2,991)	(1,633)	(860)	(75)	(12,605)	(9,143)
Other membership activities									
	Members' PIE tax		(10,704)	(16,122)	(4,716)	(5,229)	(73)	(68,824)	(81,420)
Net membership activities			(169,857)	271,701	81,026	88,748	471,411	151,829	257,682
Net benefits accrued to Members			23,041	653,996	125,888	162,159	460,345	748,426	1,290,687
Balance at the beginning of the year			3,205,170	2,551,174	763,014	600,855	-	10,912,529	9,621,842
Balance at the end of the year			3,228,211	3,205,170	888,902	763,014	460,345	11,660,955	10,912,529

*This Fund was established on 31 July 2024 and therefore there is no comparative period. Refer to Note 1 for further information.

** This figure represents Crown contributions reclaimed by the Crown from High Growth Fund Members during the period from 25 September 2024 to 31 March 2025. The initial receipt of Crown contributions for these members occurred in other Westpac KiwiSaver Funds in July 2024 prior to the launch of the High Growth Fund and are reflected in the figures for the other Funds.

The accompanying notes are an integral part of these Financial Statements.

Westpac KiwiSaver Scheme Statements of Net Assets

		Cash Fund		Defensive Conservative Fund		Conservative Fund		Moderate Fund		Balanced Fund	
As at 31 March:		2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current assets											
Cash and cash equivalents	4	7,496	4,831	2,924	1,781	36,503	24,908	13,725	12,033	28,619	20,638
Financial assets at fair value through profit or loss	5	655,700	619,647	238,971	234,428	3,129,610	3,115,315	863,749	819,992	2,158,619	2,150,274
Contributions receivable		1,710	1,179	584	242	2,873	3,148	662	1,649	2,244	2,069
Total assets		664,906	625,657	242,479	236,451	3,168,986	3,143,371	878,136	833,674	2,189,482	2,172,981
Current liabilities											
Management fees payable	4	138	132	82	80	1,078	1,057	300	279	940	908
Redemptions payable		1,213	1,299	427	568	4,941	3,572	1,166	729	2,655	2,059
Tax payable on behalf of Members		7,063	7,202	1,847	2,128	23,964	27,775	5,310	6,274	9,368	13,727
Total liabilities		8,414	8,633	2,356	2,776	29,983	32,404	6,776	7,282	12,963	16,694
Net assets attributable to Members		656,492	617,024	240,123	233,675	3,139,003	3,110,967	871,360	826,392	2,176,519	2,156,287
Represented by:											
Net assets attributable to Members		656,492	617,024	240,123	233,675	3,139,003	3,110,967	871,360	826,392	2,176,519	2,156,287

		Growth Fund		Default Balanced Fund		High Growth Fund*		Total Scheme	
As at 31 March:		2025	2024	2025	2024	2025	2024	2025	2024
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current assets									
Cash and cash equivalents	4	56,089	31,310	14,617	5,484	8,720		168,693	100,985
Financial assets at fair value through profit or loss	5	3,181,920	3,186,913	878,640	762,148	448,119		11,555,328	10,888,717
Contributions receivable		3,218	6,106	1,166	1,478	3,193		9,262	13,145
Total assets		3,241,227	3,224,329	894,423	769,110	460,032		11,733,283	11,002,847
Current liabilities									
Management fees payable	4	1,539	1,473	305	257	269		4,651	4,186
Redemptions payable		4,099	2,222	984	826	622		9,719	8,549
Tax payable/(receivable) on behalf of Members		7,378	15,464	4,232	5,013	(1,204)		57,958	77,583
Total liabilities		13,016	19,159	5,521	6,096	(313)		72,328	90,318
Net assets attributable to Members		3,228,211	3,205,170	888,902	763,014	460,345		11,660,955	10,912,529
Represented by:									
Net assets attributable to Members		3,228,211	3,205,170	888,902	763,014	460,345		11,660,955	10,912,529

*This Fund was established on 31 July 2024 and therefore there is no comparative period. Refer to Note 1 for further information.
The accompanying notes are an integral part of these Financial Statements.

Westpac KiwiSaver Scheme Cash Flow Statements

		Cash Fund		Defensive Conservative Fund		Conservative Fund		Moderate Fund		Balanced Fund	
For the year ended 31 March:		2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Note		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities											
	Proceeds from sale of financial assets at fair value through profit or loss	39,300	25,400	45,682	23,201	525,322	239,003	118,174	71,452	334,953	246,499
	Interest income	261	278	144	116	1,549	1,294	497	413	1,235	873
	Purchase of financial assets at fair value through profit or loss	(39,600)	(13,790)	(37,470)	(15,560)	(370,080)	(199,400)	(113,740)	(71,000)	(213,600)	(238,010)
	Operating expenses	(1,574)	(1,530)	(951)	(913)	(12,622)	(11,953)	(3,439)	(3,099)	(11,049)	(9,974)
	Net cash (used in)/provided by operating activities	(1,613)	10,358	7,405	6,844	144,169	28,944	1,492	(2,234)	111,539	(612)
Cash flows from financing activities											
	Contributions	185,821	133,909	54,651	41,746	404,321	373,619	169,506	138,502	296,085	262,092
	Redemptions	(173,423)	(142,869)	(58,536)	(49,717)	(506,695)	(405,416)	(162,329)	(131,648)	(384,432)	(262,654)
	Members' PIE tax	(8,120)	(4,514)	(2,377)	(188)	(30,200)	420	(6,977)	299	(15,211)	2,190
	Net cash provided by/(used in) financing activities	4,278	(13,474)	(6,262)	(8,159)	(132,574)	(31,377)	200	7,153	(103,558)	1,628
	Net increase/(decrease) in cash and cash equivalents	2,665	(3,116)	1,143	(1,315)	11,595	(2,433)	1,692	4,919	7,981	1,016
	Cash and cash equivalents at the beginning of the year	4,831	7,947	1,781	3,096	24,908	27,341	12,033	7,114	20,638	19,622
	Cash and cash equivalents at the end of the year	7,496	4,831	2,924	1,781	36,503	24,908	13,725	12,033	28,619	20,638

		Growth Fund		Default Balanced Fund		High Growth Fund*		Total Scheme	
For the year/period ended 31 March:		2025	2024	2025	2024	2025	2024	2025	2024
Note		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities									
	Proceeds from sale of financial assets at fair value through profit or loss	614,531	338,480	106,978	66,600	6,700		1,791,640	1,010,635
	Interest income	1,535	1,367	520	355	53		5,794	4,696
	Purchase of financial assets at fair value through profit or loss	(399,630)	(609,755)	(175,740)	(160,602)	(464,745)		(1,814,605)	(1,308,117)
	Operating expenses	(18,479)	(15,115)	(3,340)	(2,632)	(924)		(52,378)	(45,216)
	Net cash provided by/(used in) operating activities	197,957	(285,023)	(71,582)	(96,279)	(458,916)		(69,549)	(338,002)
Cash flows from financing activities									
	Contributions	666,830	598,975	213,080	180,892	519,209		1,472,936	1,351,731
	Redemptions	(821,218)	(312,134)	(126,868)	(86,252)	(50,296)		(1,247,230)	(1,012,686)
	Members' PIE tax	(18,790)	3,120	(5,497)	214	(1,277)		(88,449)	1,541
	Net cash (used in)/provided by financing activities	(173,178)	289,961	80,715	94,854	467,636		137,257	340,586
	Net increase/(decrease) in cash and cash equivalents	24,779	4,938	9,133	(1,425)	8,720		67,708	2,584
	Cash and cash equivalents at the beginning of the year	31,310	26,372	5,484	6,909	-		100,985	98,401
	Cash and cash equivalents at the end of the year	56,089	31,310	14,617	5,484	8,720		168,693	100,985

*This Fund was established on 31 July 2024 and therefore there is no comparative period. Refer to Note 1 for further information.
The accompanying notes are an integral part of these Financial Statements.

1. General information

These financial statements ('**Financial Statements**') are for the Westpac KiwiSaver Scheme (the '**Scheme**') which comprises the following investment funds (each a '**Fund**', together the '**Funds**');

- Cash Fund;
- Defensive Conservative Fund;
- Default Balanced Fund;
- Conservative Fund;
- Moderate Fund;
- Balanced Fund;
- Growth Fund; and
- High growth Fund (established 31 July 2024).

The Funds are separately accounted for and the assets of one Fund cannot be used to meet the liabilities of another.

The Scheme was established by a trust deed dated 4 April 2007 and is currently governed by a trust deed dated 12 March 2021 (the '**Trust Deed**'). The Scheme is domiciled in New Zealand.

The Scheme is a defined contribution scheme which means that members ('**Members**') contribute to the Scheme over time and benefits payable depend on the amount of contributions made and any return on contributions received. The principal purpose of the Scheme is to provide retirement benefits to Members and the principal activity of the Scheme is investment.

The Scheme's investment activities are managed by BT Funds Management (NZ) Limited (the '**Manager**'). The registered office of the Manager is Westpac on Takutai Square, 16 Takutai Square, Auckland.

The New Zealand Guardian Trust Company Limited is the supervisor ('**Supervisor**') of the Scheme. The registered office of the Supervisor is Level 6, 191 Queen Street, Auckland Central.

The High Growth Fund was established on 31 July 2024 and therefore the only period presented in the Financial Statements is for the period 31 July 2024 to 31 March 2025. Members began contributing to the fund from 25 September 2024.

The Financial Statements were authorised for issue by the directors of the Manager on 29 July 2025.

2. Material accounting policies and other explanatory information

2.1 Basis of preparation

The material accounting policies applied in the preparation of the Financial Statements are set out below. These policies have been consistently applied throughout the periods presented, unless otherwise stated. The preparation of financial statements in conformity with applicable New Zealand equivalents to International Financial Reporting Standards ('**NZ IFRS**') requires the use of judgement, assumptions and estimates which impact the financial information. Significant accounting assumptions and estimates used are discussed in Note 8 Fair Value.

The Financial Statements have been prepared in accordance with the requirements of the Financial Markets Conduct Act 2013, the KiwiSaver Act 2006 (the '**Act**') and the Trust Deed. The Financial Statements comply with Generally Accepted Accounting Practice in New Zealand, NZ IFRS and other authoritative pronouncements of the External Reporting Board, as appropriate for for-profit entities.

The Financial Statements also comply with International Financial Reporting Standards Accounting Standards as issued by the International Accounting Standards Board. The Financial Statements have been prepared under the historical cost method, except for financial assets at fair value through profit or loss.

The results, positions and cash flows reported for the Scheme are prepared on a consolidated basis, with the elimination of interfund transactions and balances.

(a) Presentation

The Financial Statements are presented in New Zealand dollars, which is the Scheme's functional currency. The functional currency reflects the currency of the economy in which the Scheme competes for funds and is regulated. All amounts are rounded to the nearest \$'000 unless otherwise stated.

(b) Standards and amendments to existing standards effective 1 April 2024 impacting the Scheme

There are no new standards, amendments to existing standards or interpretations effective for the year commencing on 1 April 2024 that had a material effect on the Financial Statements.

(c) Future accounting developments

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 net changes, disclosure of management-defined performance measures (a subset of non-GAAP measures) in a single note together with reconciliation requirements. The Scheme has not early adopted this standard and is continuing to assess its impact.

2.2 Investment income

Interest income on cash and cash equivalents is recognised in the Statements of Changes in Net Assets as 'Interest income on financial assets at amortised cost' using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period.

Realised and unrealised gains or losses are reflected in the Statements of Changes in Net Assets as 'Net gains/(losses) on financial assets at fair value through profit or loss'. Unrealised gains or losses include the change in net market value of investments held as at balance date and the reversal of prior period unrealised gains or losses on investments that have been realised in the current period. Realised gains or losses are calculated as the difference between the gross sale proceeds and the weighted average cost of the investments sold.

2.3 Income tax

The Scheme qualifies as, and has elected to be, a Portfolio Investment Entity ('**PIE**') for tax purposes. Under the PIE regime, income is effectively taxed in the hands of the Members and therefore the Scheme has no income tax expense. The Manager attributes the taxable income of each Fund to Members in accordance with their proportional interest in that fund. The taxable income attributed to each Member is taxed at their Prescribed Investor Rate upon redemption and/or annually at 31 March. The amount of PIE tax paid or refunded during the year is included in 'Members' PIE tax' in the Statements of Changes in Net Assets. Members' net PIE tax liabilities/(refunds) at balance date are recognised in the Statements of Net Assets under 'Tax payable/(receivable) on behalf of Members'.

2.4 Goods and services tax ('GST')

The Scheme is not registered for GST and consequently all components of the Financial Statements are shown inclusive of GST where applicable.

2.5 Financial instruments

(a) Classification

The Scheme's financial assets are classified based on the Scheme's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The Scheme's financial assets are categorised as financial assets at fair value through profit or loss and financial assets at amortised cost. The Scheme's financial liabilities are categorised as financial liabilities at amortised cost.

Financial assets at fair value through profit or loss

The Scheme's investments in unlisted unit trusts are categorised as financial assets at fair value through profit or loss because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and sell financial assets. The collection of contractual cash flows is only incidental to achieving the Scheme's business model objective. These investments are managed, and their performance evaluated on a fair value basis in accordance with each Fund's documented investment strategy. The Manager evaluates the information about these financial assets on a fair value basis together with other related financial information.

Financial assets at amortised cost

Financial assets which meet the 'solely payments of principal and interest' criterion and are held for collection are categorised as financial assets at amortised cost. Financial assets at amortised cost include cash and cash equivalents and contributions receivable. Cash and cash equivalents include on-call deposits held with banks.

Financial liabilities at amortised cost

These amounts represent accrued expenses and liabilities owed by the Scheme at balance date. These include management fees payable and redemptions payable.

(b) Recognition and derecognition

The Scheme recognises financial assets at fair value through profit or loss on the date it becomes party to the contractual agreement (trade date). Other financial assets and financial liabilities are recognised on the date they are originated.

A financial asset is derecognised when the rights to receive cash flows have expired or the Scheme has transferred substantially all of the risks and rewards of ownership. A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

(c) Measurement

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are initially recognised at fair value. Subsequent to initial recognition, all financial assets at fair value through profit or loss are also measured at fair value. Gains or losses arising from changes in the fair value of financial assets at fair value through profit or loss are recognised in the Statements of Changes in Net Assets within 'Net gains/(losses) on financial assets at fair value through profit or loss' in the period in which they arise.

Financial assets at amortised cost

Financial assets at amortised cost are initially recognised at fair value, being the amounts receivable. Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method, reduced by any impairment allowance for expected credit losses. Any expected credit loss charge is recognised in the Statements of Changes in Net Assets.

Financial liabilities at amortised cost

Financial liabilities at amortised cost are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

2.6 Fair value hierarchy

The Manager classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: The fair value of financial instruments traded in active markets is based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques for which all significant inputs are based on observable market data; and
- Level 3: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques for which any significant input is not based on observable market data.

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

The Manager considers data to be observable when it is readily available, regularly distributed or updated, reliable and verifiable and provided by independent sources that are actively involved in the relevant market.

The Manager's fair value hierarchy classifications of the Scheme's financial assets are detailed in Note 8.

2.7 Net assets attributable to Members

The net assets attributable to Members are the fully vested benefits to which Members are entitled at balance date.

The Scheme issues units that are redeemable at each Member's option (subject to certain restrictions under the Act) and do not have identical features and, in accordance with NZ IAS 32 *Financial Instruments: Presentation*, are classified as financial liabilities and held at amortised cost. The value attributable to Members is the residual value of the assets of each Fund after all other liabilities have been deducted. 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 that Fund or the Scheme.

The movements in the liability for net assets attributable to Members are presented by the movements as disclosed in the Statements of Changes in Net Assets.

2.8 Cash flow statements

Payments and receipts relating to the purchase and sale of financial assets at fair value through profit or loss are classified as cash flows from operating activities, as movements in the fair value of these financial assets represent the Scheme's main income generating activity.

2.9 Consolidation of financial statements

The Scheme or the Funds do not prepare consolidated financial statements in instances where the Scheme or one of the Funds is deemed to control another fund as they meet the definition of an investment entity as defined in NZ IFRS 10: *Consolidated Financial Statements* ('**NZ IFRS 10**'). Such investments held in subsidiaries are classified as financial assets at fair value through profit or loss and are measured at fair value.

Classification as an investment entity

The Manager believes the Scheme meets the definition of an investment entity as defined by NZ IFRS 10 because of the following characteristics:

- It obtains funds from one or more investors for the purpose of providing those investors with a managed investment product;
- It has committed to its investors via a documented investment strategy that its business purpose is to invest funds solely for returns from capital appreciation, investment income or a combination of both; and
- It measures the performance of its investments on a fair value basis.

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

- It holds more than one investment;
- It has more than one investor;
- It has investors that are not related to the Scheme; and
- Ownership interests in the Scheme are represented by units of equity interests, or similar interests.

Please refer to Note 4.2 for the details of subsidiaries which are not consolidated as the Funds are considered to be investment entities.

3. Commitments and contingent liabilities

There are no material commitments or contingent liabilities as at 31 March 2025 (31 March 2024: nil).

4. Related parties

4.1 General

The Manager is ultimately owned by Westpac Banking Corporation (ABN 33 007 457 141). All dealings with Westpac Banking Corporation and its subsidiaries are conducted on standard commercial terms.

The directors of the Manager and other related parties can be members of the Scheme. They contribute on the same basis and have the same rights as other members.

The Scheme's transactional bank accounts are held with Westpac New Zealand Limited (also ultimately owned by Westpac Banking Corporation). These bank account balances are recognised in the Statements of Net Assets under 'Cash and cash equivalents' and interest earned on these bank accounts is recognised in the Statements of Changes in Net Assets under 'Interest income on financial assets at amortised cost'.

Management fees are a related party expense paid to the Manager and are recognised in the Statements of Changes in Net Assets under 'Management fees'. Management fees payable at balance date are recognised in the Statements of Net Assets under 'Management fees payable'.

The Funds invest in a number of the Westpac Wholesale Unit Trusts (the '**Trusts**'), being unlisted unit trusts managed by the Manager (these are detailed in Note 5). There are no management fees charged by the Trusts, transactions with the Trusts are made at the prevailing unit prices at the time of the transaction and any income earned on these investments is based on each Fund's pro rata share of units in the Trusts.

The Manager incurs the costs in relation to the Scheme's supervisor fees and audit fees. The Scheme's audit fees for financial statements paid by the Manager for the year ended 31 March 2025 were \$104,534 (year ended 31 March 2024: \$91,425). There were no fees for non-audit services for the Scheme in either 2024 or 2025.

4.2 Unconsolidated subsidiaries

The following table details instances where the Funds are deemed to control another investment entity. The Manager considers a unitholding of 75% or more in another investment entity to be a controlling interest. The Funds do not prepare consolidated financial statements in instances where the Funds are deemed to control another fund and investments in units issued by these subsidiaries (the balances of which are detailed in Note 5) are accounted for as financial assets at fair value through profit or loss.

Name of Subsidiary	Principal place of business	Proportion of ownership interest held in the Scheme	
		2025	2024
As at 31 March:			
Westpac Wholesale Enhanced Cash Trust	New Zealand	91%	91%
Westpac Wholesale International Fixed Interest Trust	New Zealand	88%	87%
Westpac Wholesale International Property Trust	New Zealand	86%	87%
Westpac Wholesale Multi-Manager International Share Trust	New Zealand	88%	87%
*Westpac Wholesale Unhedged International Share Trust	New Zealand	88%	87%
*Westpac Wholesale International Share No.2 Trust	New Zealand	88%	87%
*Westpac Wholesale International Share No.3 Trust	New Zealand	88%	87%
Westpac Wholesale New Zealand Bond No.1 Trust	New Zealand	89%	88%
*Westpac Wholesale Corporate Bond Trust	New Zealand	89%	89%
Westpac Wholesale Property Trust	New Zealand	87%	86%
Westpac Wholesale Strategy Share Trust	New Zealand	88%	87%
*Westpac Wholesale Australasian Share No.1 Trust	New Zealand	88%	87%
*Westpac Wholesale Australasian Share No.2 Trust	New Zealand	88%	87%
*Westpac Wholesale Australasian Share No.3 Trust	New Zealand	88%	87%

*The Scheme's controlling ownership interest in these Funds is indirect through direct unit holdings in other wholesale Funds.

The income earned by the Funds from the investments in unconsolidated subsidiaries is depicted in the Statement of Changes in Net Assets under 'Net gains on financial assets at fair value through profit and loss'.

The Scheme's ownership interest in Westpac Wholesale Enhanced Cash Trust arises from its direct unit holdings as well as indirectly through its 88% (31 March 2024: 87%) investment in Westpac Wholesale Multi-Manager International Share Trust, its 88% (31 March 2024: 87%) investment in the Westpac Wholesale Strategy Share Trust and its 88% (31 March 2024: 87%) investment in the Westpac Wholesale International Fixed Interest Trust.

There are no restrictions on the ability of any unconsolidated subsidiary to transfer funds to the Scheme. There has been no financial or other support provided by the Scheme to any unconsolidated subsidiary and there are no contractual arrangements to provide financial support to any unconsolidated subsidiary.

Westpac KiwiSaver Scheme
Notes to the Financial Statements for the year ended 31 March 2025

5. Financial assets at fair value through profit or loss

	Cash Fund		Defensive Conservative Fund		Conservative Fund		Moderate Fund		Balanced Fund	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
As at 31 March:										
Investments in unlisted unit trusts managed by the Manager										
Westpac Wholesale Property Trust	-	-	2,631	2,360	57,369	60,297	14,416	15,641	60,475	63,975
Westpac Wholesale Enhanced Cash Trust	655,700	619,647	27,603	33,276	327,684	385,607	57,161	58,321	65,430	72,256
Westpac Wholesale Multi-Manager International Share Trust	-	-	29,805	28,830	479,574	446,778	217,658	201,788	835,626	787,032
Westpac Wholesale International Fixed Interest Trust	-	-	97,898	84,694	1,221,877	1,092,266	276,412	254,459	495,140	468,667
Westpac Wholesale New Zealand Bond No.1 Trust	-	-	66,552	49,607	808,864	626,997	188,802	148,335	318,555	256,668
Westpac Wholesale Corporate Bond Trust	-	-	-	18,744	-	215,672	-	24,019	-	41,470
Westpac Wholesale Strategy Share Trust	-	-	11,881	14,494	182,943	225,024	94,580	101,232	323,246	393,996
Westpac Wholesale International Property Trust	-	-	2,601	2,423	51,299	62,674	14,720	16,197	60,147	66,210
Total	655,700	619,647	238,971	234,428	3,129,610	3,115,315	863,749	819,992	2,158,619	2,150,274

	Growth Fund		Default Balanced Fund		High Growth Fund	Total Scheme	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2025 \$'000	2024 \$'000
As at 31 March:							
Investments in unlisted unit trusts managed by the Manager							
Westpac Wholesale Property Trust	110,183	123,210	16,113	14,182	13,387	274,574	279,665
Westpac Wholesale Enhanced Cash Trust	30,852	80,133	34,980	43,679	-	1,199,410	1,292,919
Westpac Wholesale Multi-Manager International Share Trust	1,613,239	1,518,538	288,434	239,576	302,517	3,766,853	3,222,542
Westpac Wholesale International Fixed Interest Trust	372,147	280,178	254,485	205,927	-	2,717,959	2,386,191
Westpac Wholesale New Zealand Bond No.1 Trust	244,051	219,055	155,332	106,325	-	1,782,156	1,406,987
Westpac Wholesale Corporate Bond Trust	-	29,308	-	21,493	-	-	350,706
Westpac Wholesale Strategy Share Trust	704,854	807,606	114,081	115,334	118,440	1,550,025	1,657,686
Westpac Wholesale International Property Trust	106,594	128,885	15,215	15,632	13,775	264,351	292,021
Total	3,181,920	3,186,913	878,640	762,148	448,119	11,555,328	10,888,717

Westpac KiwiSaver Scheme
Notes to the Financial Statements for the year ended 31 March 2025

6. Reconciliation of net profit/(loss) before membership activities to net cash provided/(used in) by operating activities

	Cash Fund		Defensive Conservative Fund		Conservative Fund		Moderate Fund		Balanced Fund	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
For the year ended 31 March:										
Net profit before membership activities	34,434	34,887	11,946	16,288	158,443	225,412	45,228	72,286	119,852	228,426
Non cash items										
Unrealised gains on financial assets at fair value through profit or loss	(28,734)	(32,799)	(6,383)	(14,554)	(76,377)	(192,688)	(28,723)	(65,425)	(41,171)	(193,722)
Movement in operating balances										
Net change in financial assets at fair value through profit or loss	(7,319)	8,265	1,840	5,107	62,082	(3,846)	(15,034)	(9,121)	32,826	(35,411)
Net change in payables	6	5	2	3	21	66	21	26	32	95
Net cash (used in)/provided by operating activities	(1,613)	10,358	7,405	6,844	144,169	28,944	1,492	(2,234)	111,539	(612)

	Growth Fund		Default Balanced Fund		High Growth Fund		Total Scheme	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
For the year/period ended 31 March:								
Net profit/(loss) before membership activities	192,898	382,295	44,862	73,411	(11,066)		596,597	1,033,005
Non cash items								
Unrealised (gains)/losses on financial assets at fair value through profit or loss	(56,959)	(356,146)	(37,391)	(73,070)	9,862		(265,876)	(928,404)
Movement in operating balances								
Net change in financial assets at fair value through profit or loss	61,952	(311,479)	(79,101)	(96,677)	(457,981)		(400,735)	(443,162)
Net change in payables	66	307	48	57	269		465	559
Net cash provided by/(used in) operating activities	197,957	(285,023)	(71,582)	(96,279)	(458,916)		(69,549)	(338,002)

7. Financial risk management

The Trust Deed requires the Manager to invest the assets of the Scheme in accordance with the investment policies, as approved by the Supervisor. The Scheme's investment activities result in the direct and indirect exposure to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk). Although, under NZ IFRS, the risk section is not required to be prepared on a look through basis, it has been prepared on this basis. This means the explanation of risks is not limited to the Scheme's direct investments and takes into account the specific risks in the underlying unlisted unit trusts.

All investments present a risk of loss of capital and the Manager's overall investment management strategy seeks to maximise the returns derived for the level of risk to which the Scheme is exposed and seeks to minimise potential adverse effects on the Scheme's financial performance. The strategy incorporates an appropriate diversification of investments across a number of investment sectors, countries, and companies through unlisted unit trusts managed by the Manager.

The Manager operates an Investment Committee which regularly reviews investment policies, including financial risk management policies. Compliance with the policies is monitored on an ongoing basis and reported to the directors of the Manager on a quarterly basis.

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

(a) Credit risk

Credit risk is the risk that a counterparty or issuer of a security will be unable to pay amounts in full when they fall due.

The Scheme's direct exposure to credit risk includes its bank account balances held with Westpac New Zealand Limited. Westpac New Zealand Limited has a credit rating of AA- (31 March 2024: AA-) as measured by Standard & Poor's. The maximum exposure to credit risk of financial instruments is considered to be their carrying value.

The Scheme measures credit risk and any expected credit losses using probability of default, exposure at default and loss given default taking into consideration both historical analysis and forward-looking information. The Manager considers the Scheme's financial assets at amortised cost to have a probability of default close to zero as they are short term in nature and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no impairment allowance for expected credit losses has been recognised as any such impairment would be wholly insignificant to the Scheme.

The Scheme is indirectly exposed to credit risk through its investments in unlisted unit trusts. The Scheme's overall investment strategy incorporates an appropriate diversification of investments so that the Scheme has no significant concentration of credit risk. The Manager moderates this risk further by ensuring the following credit risk management policies are applied to the underlying unlisted unit trusts.

The Manager's policy is to invest in debt securities that are investment grade as rated by a well-known rating agency for direct or indirect investments. If not rated, these securities must be assessed by the Manager to be of at least investment grade quality. The Manager has also set limits for the management of counterparty risk and compliance with these limits is monitored daily. With respect to derivative financial instruments, the Manager's policy is to limit the counterparties to a group of major international banks.

All transactions in listed securities are settled upon recognised and reputable exchanges. The risk of default is considered minimal as trades are not completed if either party fails to meet its obligation.

(b) Liquidity risk

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

The Manager's liquidity management policy is designed to ensure that the Scheme has the ability to generate sufficient cash in a timely manner to meet its financial commitments and normal levels of redemptions. Each Fund has benchmark liquidity levels which are monitored and maintained on a daily basis and are subject to weekly and quarterly reviews. Liquidity risk is managed by holding liquid investments to enable the Scheme to meet liabilities as they fall due and Member redemptions when requested. In the event of abnormal levels of redemptions, timing of payment may be dependent on the ability of the particular Fund to realise its underlying investments on a timely basis.

The Manager has the ability in extraordinary situations to impose discretionary redemption restrictions, which include the ability to suspend redemptions or withhold varying amounts of any redemption requested. It is the intention of the Manager to exercise this ability only in instances where the payment of redemptions would put the remaining Members in a disadvantageous position, or if the Scheme is unable to liquidate its investments in order to pay Member redemptions as they fall due.

As at 31 March 2025, the Scheme held no investments that are considered illiquid (31 March 2024: nil).

Management fees payable and redemptions payable are due for settlement within one month of balance date.

(c) Currency risk

Currency risk arises as the value of monetary assets and liabilities denominated in other currencies will fluctuate due to changes in foreign exchange rates.

The Scheme holds no direct monetary instruments denominated in foreign currency and therefore has no direct exposure to currency risk.

The Scheme is indirectly exposed to currency risk when an underlying fund has a functional currency of the New Zealand dollar but has investments that are denominated in a foreign currency. This risk is captured as part of the price risk sensitivity in Note 7 (e). The Manager moderates this risk by applying the currency risk management policies described below within the underlying funds as appropriate.

Currency risk management is undertaken by the Manager within the guidelines agreed with the Supervisor. The Manager has economic hedging policies and monitors foreign exchange exposures against such policies on a daily basis. The Manager may enter into foreign exchange derivative contracts to economically hedge the currency risk implicit in the value of financial instruments denominated in a foreign currency and/or to secure a particular exchange rate for a planned purchase or sale of financial instruments.

(d) Cash flow and fair value interest rate risk

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

The Scheme's direct holdings of cash and cash equivalents, which earn market rates of interest, expose the Scheme to cash flow interest rate risk. The sensitivity of the Scheme's net profit/(loss) before membership activities and net assets attributable to Members to a reasonably possible shift in interest rates on these holdings at the reporting date is not considered to be material.

The Scheme has no direct exposure to fair value interest rate risk.

The Scheme has indirect exposures to cash flow and fair value interest rate risk through its investments in other unlisted unit trusts managed by the Manager. This risk is captured as part of the price risk sensitivity in Note 7 (e). The Manager moderates this risk by ensuring the underlying unlisted unit trusts maintain diversified portfolios of selected securities, are subject to daily monitoring of positions and durations, and adhere to relevant investment policies.

(e) Price risk

Price risk is the risk that the value of the Scheme's investment portfolio will fluctuate as a result of changes in market prices whether such changes are caused by factors specific to an issuer or factors affecting all similar financial instruments traded in the market.

The Scheme is exposed to price risk through its investments in unlisted unit trusts.

Price risk is moderated by diversification and by ensuring that all investment activities are transacted in accordance with mandates, overall investment strategy and within approved limits. Each Fund's overall market position is monitored on a daily basis. For investments denominated in New Zealand dollars but with an indirect foreign exchange exposure, the price movement estimate disclosures include this indirect foreign exchange exposure.

The table below summarises the Scheme's sensitivity to a reasonable shift in the unit prices of its investments in unlisted unit trusts based on historical trends. Actual movements may be significantly different from this and will vary by Fund depending on the investments held.

If the unit prices of the Scheme's underlying investments at balance date had increased or decreased by the price movement estimate with all other variables held constant, this would have increased/(decreased) net profit/(loss) before membership activities and net assets attributable to Members by approximately:

	Cash Fund		Defensive Conservative Fund		Conservative Fund		Moderate Fund		Balanced Fund	
As at 31 March:	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Price movement estimate	+/- 0.14%	+/- 0.14%	+/- 0.67%	+/- 0.62%	+/- 0.79%	+/- 0.75%	+/- 1.22%	+/- 1.18%	+/- 1.86%	+/- 1.77%
Effect on net profit (loss) / nets assets	\$'000 +/- 918	\$'000 +/- 868	\$'000 +/- 1,601	\$'000 +/- 1,453	\$'000 +/- 24,724	\$'000 +/- 23,365	\$'000 +/- 10,538	\$'000 +/- 9,676	\$'000 +/- 40,150	\$'000 +/- 38,060
	Growth Fund		Default Balanced Fund		High Growth Fund		Total Scheme			
As at 31 March:	2025	2024	2025	2024	2025		2025	2024		
Price movement estimate	+/- 2.51%	+/- 2.35%	+/- 1.57%	+/- 1.49%	+/- 3.17%		+/- 1.61%	+/- 1.47%		
Effect on net profit (loss) / nets assets	\$'000 +/- 79,866	\$'000 +/- 74,892	\$'000 +/- 13,795	\$'000 +/- 11,356	\$'000 +/- 14,205		\$'000 +/- 186,041	\$'000 +/- 160,064		

Climate-related risks refer to the potential negative impacts of climate change on the Scheme investment performance. Climate-related risks can originate from the physical risks of climate change and from transitional risks. Climate related opportunities refer to the potential positive impacts of climate change on the Scheme investment performance. Investment performance can potentially benefit through investment in opportunities which adapt to and mitigate the impacts of climate change.

The Scheme has potential exposure to these climate-related physical and transitional risks and climate-related opportunities through their investment in the underlying unlisted unit trusts (refer to note 5), which in-turn have the potential to impact the investment performance of the Scheme. For the current financial year, the Manager is unable to quantify the proportion of overall changes in the Scheme investment performance that are directly and clearly attributed to climate change.

8. Fair value

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.

Financial assets measured at fair value

The Scheme is primarily invested in unlisted unit trusts. The fair value of investments in unlisted unit trusts is classified as Level 2 in the fair value hierarchy as these valuations are determined by reference to the redemption price per unit of the unlisted unit trust. The units of unlisted unit trusts are not publicly traded; redemption can only be made on the redemption dates and is subject to the required notice periods specified in the trust deed of the unlisted unit trusts. The rights of the Scheme to request redemption of its investments in unlisted unit trusts may vary and, as a result, the carrying values of these investments may not be indicative of the values ultimately realised on redemption.

The Scheme holds no direct financial assets measured at fair value that are classified as Level 1 or Level 3 within the fair value hierarchy. There have been no transfers across Levels 1, 2 or 3 during the year ended 31 March 2025 (31 March 2024: nil).

Financial instruments not measured at fair value

As detailed in Note 2.7, the Scheme's net assets attributable to Members are classified as a financial liability and held at amortised cost. The fair value of each Fund's redeemable units is measured at the redemption amount that is payable (based on the redemption price) at the balance date. Accordingly, the carrying amount of net assets attributable to Members approximates fair value.

The carrying value of the Scheme's financial assets and financial liabilities at amortised cost approximates fair value as these are short-term in nature and are of a high credit rating.

9. Capital management

The Scheme manages its net assets attributable to Members as capital, notwithstanding net assets attributable to Members is classified as a liability for accounting purposes. The Manager'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 Manager's policy is to perform the following:

- (a) monitor the level of daily contributions and redemptions relative to the assets it expects to be able to liquidate within 10 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 subscriptions.

The Scheme primarily receives funding from Member contributions, Members' employers and the New Zealand Government via the Inland Revenue. During both periods reported, these contributions have been made at the following rates:

- Member contributions: 3%, 4%, 6%, 8% or 10% of employee's pre-tax salary or wages;
- Employer contributions: required to contribute 3% of an employee's pre-tax salary or wages to the extent these contributions are matched by the employee; and
- Self-employed and non-waged Members: voluntary contributions.

If the Member is eligible, the New Zealand Government will pay 50 cents for every dollar of Member contributions annually up to a maximum of \$521.43. The Manager strives to invest Members' contributions in investments that meet the Scheme's objectives while maintaining sufficient liquidity to meet Member redemptions.

Westpac KiwiSaver Scheme
Notes to the Financial Statements for the year ended 31 March 2025

The Scheme does not have any externally imposed capital requirements.

None of the Supervisor, the Manager, Westpac Banking Corporation, their directors, nor any members of their groups of companies, or any other person, promises or guarantees the units offered by the Scheme, the performance or returns of the Funds, or the repayment of capital.

10. Units on issue

	Cash Fund		Defensive Conservative Fund		Conservative Fund		Moderate Fund		Balanced Fund	
	2025 '000	2024 '000	2025 '000	2024 '000	2025 '000	2024 '000	2025 '000	2024 '000	2025 '000	2024 '000
As at 31 March:										
Units on issue at beginning of year	385,438	395,942	160,736	168,294	1,541,420	1,571,961	516,027	516,026	886,047	891,975
Units issued during the year	113,055	86,791	36,978	30,382	196,087	196,857	101,569	91,869	116,987	116,455
Units redeemed during the year	(110,165)	(97,295)	(40,567)	(37,940)	(258,129)	(227,398)	(101,383)	(91,868)	(155,811)	(122,383)
Units on issue at end of year	388,328	385,438	157,147	160,736	1,479,378	1,541,420	516,213	516,027	847,223	886,047

	Growth Fund		Default Balanced Fund		High Growth Fund
	2025 '000	2024 '000	2025 '000	2024 '000	2025 '000
As at 31 March:					
Units on issue at beginning of year	1,201,831	1,089,427	727,314	635,341	-
Units issued during the year	238,054	244,259	193,545	183,795	508,114
Units redeemed during the year	(294,756)	(131,855)	(118,526)	(91,822)	(45,984)
Units on issue at end of year	1,145,129	1,201,831	802,333	727,314	462,130

11. Events occurring after the balance date

No significant events have occurred since the balance date that would impact the Scheme or the Financial Statements.



Independent auditor's report

To the members of Westpac KiwiSaver Scheme (the Scheme) which comprises:

- Cash Fund
- Defensive Conservative Fund
- Conservative Fund
- Moderate Fund
- Balanced Fund
- Growth Fund
- Default Balanced Fund
- High Growth Fund

(Collectively referred to as the Funds and the Scheme)

Our opinion

In our opinion, the accompanying financial statements of the Funds and the Scheme present fairly, in all material respects, the financial positions of the Funds and the Scheme as at 31 March 2025, their financial performance, and their cash flows for the period/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 2025;
- the statements of changes in net assets for the period/year then ended;
- the cash flow statements for the period/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.

In our capacity as auditor and assurance practitioner, our firm provides other assurance, agreed-upon procedures and other services in respect of the Funds and the Scheme for BT Funds Management (NZ) Limited (the Manager). Subject to certain restrictions, partners and 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. The firm has no other relationship with, or interests in, the Manager in respect 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 to the financial statements for disclosures 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>The Funds and the Scheme invest solely into unlisted trusts managed by the Manager. The fair value is based on the redemption price established by the administrator of the unlisted unit trusts, which is also the administrator of the Funds and the Scheme (the Administrator). In assessing the fair value, the Manager uses information provided by the Administrator.</p> <p>Financial assets at fair value through profit or loss are held by the Custodian on behalf of the Funds and the Scheme.</p>	<p>We assessed the processes employed by the Manager for recording and valuing financial assets at fair value through profit or loss, including the relevant controls operated by the third-party service organisation, the Administrator. Our assessment of the processes included obtaining the internal controls report over investment accounting and unit pricing 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 investments in unlisted unit trusts managed by the Manager, we agreed the redemption price at reporting date to the confirmation provided by the Administrator.</p> <p>We evaluated whether the redemption price represented fair value by comparing the net asset value per unit calculated based on the latest audited financial statements of the underlying unlisted funds to the published unit price on that date to provide evidence of the reliability of unit pricing.</p> <p>We obtained confirmation from the Custodian of the holdings of all the financial assets at fair value through profit or loss as recognised by the Funds and the Scheme at the reporting date.</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 the net assets of each Fund and the Scheme.</p> <p>We chose net assets 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 return</p>
<p>Key audit matters</p>	<p>As reported above, we have one key audit matter, <i>Valuation and existence of financial assets at fair value through profit or loss</i>.</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 the 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 Manager has outsourced investment accounting (Administrator) and registry services (Registrar) to third-party service providers.

Other information

The Manager is responsible for the other information. The other information comprises the information included in the annual report, 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 statement. The remaining other information comprising the annual report 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 the 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/standards/assurance-standards/auditors-responsibilities/audit-report-1-1/>

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 Philip Taylor.

For and on behalf of:



PricewaterhouseCoopers

Auckland

29 July 2025