Kiwi Wealth Super Scheme
Financial Statements
For the period ended 31 December 2023

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Kiwi Wealth Super Scheme
Statement of Changes in Net Assets
For the period ended 31 December 2023

	Notes	Period Ended 31 December 2023 $000	Year Ended 31 March 2023 $000
Investment activities			
Investment income			
Net gains/(losses) on financial instruments at fair value through profit or loss	4	5,164	(2,170)
Foreign exchange (losses)/gains		4	(2)
Interest income on cash and cash equivalents		83	31
Net Income/(Loss)		**5,251**	**(2,141)**
Expenses			
Management and administration fees	5	(509)	(731)
Total expenses		**(509)**	**(731)**
Net increase/(decrease) in net assets before membership activities		**4,742**	**(2,872)**
Membership activities			
Contributions / transfers in			
Employer contributions		**485**	768
Employee contributions		**1,337**	1,447
Benefits paid / transfers out / PIE tax			
Retirement withdrawals		**(15,715)**	(3,303)
Other withdrawals		**(25,570)**	(1,747)
PIE tax paid and payable		**(509)**	(30)
Net membership activities		**(39,972)**	**(2,865)**
Benefits accrued to members' accounts		**(35,230)**	**(5,737)**
Net assets attributable to members at the beginning of the period		**63,936**	**69,673**
Net assets attributable to members		**28,706**	**63,936**

This Statement of Changes in Net Assets should be read in conjunction with the accompanying notes.

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Kiwi Wealth Super Scheme
Statement of Net Assets
As at 31 December 2023

	Notes	As At 31 December 2023 $000	As At 31 March 2023 $000
Assets			
Cash and cash equivalents	10	932	707
Financial assets held at fair value through profit or loss	6	28,423	63,573
Derivative assets held for risk management	6	-	127
Unallocated contributions		-	34
Total assets		**29,355**	**64,441**
Liabilities			
Management and administration fees payable	12	(28)	(61)
Withdrawals payable	12	(125)	(260)
PIE tax payable		(496)	(184)
Total liabilities (excluding net assets attributable to members)		**(649)**	**(505)**
Net assets attributable to members		**28,706**	**63,936**
Represented by:			
Member funds		**28,706**	**63,936**

The directors of the Board of Fisher Funds Investments General Partner Limited, as the general partner of the Fisher Funds Investments Limited Partnership authorised these financial statements for issue on 21 March 2024:

Director ______________________ Director ______________________

This Statement of Changes in Net Assets should be read in conjunction with the accompanying notes.

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Kiwi Wealth Super Scheme
Statement of Cash Flows
For the period ended 31 December 2023

	Period Ended 31 December 2023 $000	Year Ended 31 March 2023 $000
Cash flows from operating activities		
Cash was provided from:		
Sale of investments	41,218	6,006
Interest received	83	31
Realisation of derivatives, net	(7)	(846)
Cash was applied to:		
Purchase of investments	(770)	(2,683)
Payment of management and administration fees	(543)	(736)
Net cash flows from operating activities	**39,981**	**1,772**
Cash flows from financing activities		
Cash was provided from:		
Employer contributions	490	768
Employee contributions	1,369	1,407
Unallocated (withdrawals)/contributions	-	(34)
Cash was applied to:		
Withdrawals	(41,418)	(5,779)
PIE tax (paid)/received	(197)	226
Net cash flows from financing activities	**(39,756)**	**(3,412)**
Net increase/(decrease) in cash and cash equivalents	225	(1,640)
Add: opening cash and cash equivalents	707	2,347
Closing cash and cash equivalents	**932**	**707**

This Statement of Cash Flows should be read in conjunction with the accompanying notes.

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Kiwi Wealth Super Scheme
Statement of Cash Flows (continued)
For the period ended 31 December 2023

Reconciliation of net increase/(decrease) in net assets before membership activities to net cash flows from operating activities	Period Ended 31 December 2023 $000	Year Ended 31 March 2023 $000
Net increase/(decrease) in net assets before membership activities	**4,742**	**(2,872)**
Adjusted for:		
Sale of investments	27,008	4,424
Purchase of investments	(770)	(2,683)
Net unrealised change in fair value of investments	9,002	2,864
Changes in assets and liabilities:		
(Decrease)/Increase in receivables	(34)	34
Decrease in payables	33	5
Net cash flow from operating activities	**39,981**	**1,772**

This Statement of Cash Flows should be read in conjunction with the accompanying notes.

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1. Reporting Entity

The financial statements are for the reporting entity Kiwi Wealth Super Scheme (the "**Scheme**") which is domiciled in New Zealand.

The Scheme was established and is governed by a Trust Deed dated 18 December 2008 as amended from time to time (“Trust Deed”). On 30 August 2016 it was amended and consolidated to comply with the Financial Markets Conduct Act 2013 (“FMCA”) and several other amendments were made that the Supervisor and the Manager considered appropriate in connection with the Scheme being registered under the FMCA. On 7 September 2017 an amendment was made to change the name of GMI Superannuation Scheme to Kiwi Wealth Super Scheme. An amendment was made on 8 December 2017 to enable the Scheme to re-gain Qualifying Recognised Overseas Pension Scheme (QROPS) status. A further amendment was made on 28 January 2021, principally for Trusts Act changes. The Scheme received contributions and started investing from 1 April 2009.

Under the Trust Deed, members may choose how often they make contributions and the amount (subject to any minimum the Supervisor may set), except where the member's employer also contributes to the member's account as part of a participation agreement with the Supervisor. In such cases, the contribution rates of the employer and member are prescribed in the relevant participation agreement.

On 2 October 2023 Kiwi Wealth Investments Limited Partnership resolved to close the Scheme to new members on 4 October 2023 and wind up the Scheme effective 31 December 2023. Withdrawals and transfers out of the Scheme were processed as normal until 30 November 2023 and contributions into the Scheme were accepted up to 31 December 2023 (including any contributions accrued by participating employers on behalf of their employees who were members of the Scheme). On 4 October 2023, the Scheme ceased to meet the criteria of being a Qualifying Recognised Overseas Pension Scheme ("QROPS"). The wind up of the Scheme was effective 31 December 2023.

The financial statements represent the operating result for the nine month period ended 31 December 2023, and the comparative period for the year ended 31 March 2023.

The Supervisor and Trustee of the Scheme is Public Trust (the "**Supervisor**"), the administration manager and the investment manager of the Scheme is Kiwi Wealth Investments Limited Partnership (the “**Manager**"). The Manager has delegated its investment management functions to Fisher Funds Management Limited (the "**Investment Manager**"). The Manager's registered office is Level 13, 20 Ballance Street, Wellington, 6011, New Zealand. Kiwi Wealth Investment Limited Partnership ("KWILP") is owned by Kiwi Wealth Management Limited. The Manager is a wholly owned subsidiary of Fisher Funds Management Limited.

The Scheme comprises the investment funds (each an "Investment Fund") listed below. Notwithstanding the division of the Scheme into the Investment Funds, in accordance with the Trust Deed, the Scheme is a single trust fund which acquires assets and incurs liabilities on a whole of fund basis. Each member has an account with the Scheme. The value of each member’s interest in the Scheme is determined by amounts held in the relevant member’s member account.

Investment Funds	**Date of establishment**
- Conservative	1 April 2009
- Balanced	1 April 2009
- Growth	1 April 2009

2. Basis of Preparation

Statement of Compliance

The financial statements have been prepared in accordance with the Trust Deed, the FMCA and New Zealand Generally Accepted Accounting Practice ("**NZ GAAP**"). The financial statements comply with New Zealand equivalents to International Financial Reporting Standards ("**NZ IFRS**"), and other applicable financial reporting standards, as appropriate for for-profit entities. The financial statements comply with International Financial Reporting Standards ("**IFRS**"). The Scheme is a for-profit entity.

Measurement Base

The Going Concern assumption has not been applied in the preparation of the financial statements.

The methods used to measure fair values are discussed further in note 3(d).

Functional and Presentational Currency

These financial statements are presented in New Zealand dollars ($), items included in the financial statements are measured using the currency of the primary economic environment in which the Scheme operates ('functional currency'). All financial information is presented in thousands of dollars (unless otherwise stated).

Use of Assumptions, Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in note 8.

3. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods in these financial statements.

(a) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term investments in an active market with original maturities of 90 days or less.

(b) Statements of Cash Flows

The following are definitions of terms used in the Statements of Cash Flows:

- **operating activities** - are those relating to the principal revenue-producing activities of the entity and other activities that are not financing activities. These include those cash flows relating to the acquisition, holding and disposal of investments, which include 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 Members' funds.

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(c) Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate prevailing at the date of the transaction. Assets and liabilities denominated in foreign currencies at the end of the reporting period are translated at the foreign exchange rate prevailing at that date. Foreign exchange differences arising on translation are recognised in profit or loss, except foreign exchange differences arising on financial instruments held at FVTPL which are recognised together with net gains/(losses) on financial instruments at FVTPL in the Statement of Changes in Net Assets.

(d) Financial instruments

(i) Classification

(a) Assets

The Scheme classifies its instruments based on both the Scheme's business model for managing those financial assets and contractual cash flow characteristics of the financial assets. The Scheme's financial assets are managed, and their performance evaluated on a fair value basis. The Scheme is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Scheme's investments in equity instruments are held for trading, and the Scheme has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The collection of contractual cash flows is only incidental to achieving the Scheme's business model's objective. Consequently, all investments are measured at FVTPL. Derivative contracts that have a positive fair value are presented as assets at FVTPL.

(b) Liabilities

The Scheme does not make short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, nor does it make use of short sales for various arbitrage transactions. Derivatives were used by the Scheme during the period. Derivative contracts that have a negative fair value are presented as liabilities at FVTPL. As at 31 December 2023 the Scheme was not invested in derivatives.

As such the Scheme classifies all its investment securities as financial assets or liabilities at FVTPL.

The Scheme's policy requires the Board of Directors to evaluate the information about these financial assets and liabilities on a fair value basis together with other related financial information.

(ii) Recognition, Derecognition and Measurement

Regular purchases and sales of investments and derivatives are recognised on the trade date - the date on which the Scheme commits to purchase or sell the investment or derivatives. Financial instruments designated at FVTPL are initially recognised at fair value. Transaction costs are expensed in profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments and derivatives have expired or the Scheme has transferred substantially all risks and rewards of ownership. After initial recognition, all financial assets and financial liabilities at FVTPL are measured at fair value.

Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at a FVTPL' category is presented in profit or loss in the Statement of Changes in Net Assets within net gains/(losses) on financial instruments at fair value through profit or loss in the period in which they arise.

3. Significant Accounting Policies (continued)

(d) Financial instruments (continued)

(iii) Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) is based on quoted market prices at the closing trading on the reporting date.

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

The rights of the Scheme to request redemption of its investments in other funds may vary in frequency from daily to weekly redemptions. As a result, the carrying values of the other funds may not be indicative of the values ultimately realised on redemption.

If necessary, the Scheme adjusts the net asset value of various other fund investments to obtain the best estimate of fair value. Other net changes in fair value on financial assets and financial liabilities at fair value through profit or loss in the Statement of Changes in Net Assets include the change in fair value of each other fund.

For investments with no active markets, fair values are determined using valuation techniques. Such techniques include using recent arm’s length transactions, reference to the current market value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible and keeping judgmental inputs to a minimum.

(iv) Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount reported in the Statement of Net Assets where the Scheme has a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Scheme or the counterparty.

(e) Financial Assets and Financial Liabilities at Amortised Cost

Financial assets at amortised cost comprise cash and cash equivalents and receivables. These include cash balances and call deposits, accrued interest and dividends, and proceeds expected from sale transactions where the trade date and settlement date spanned the reporting date. The carrying value closely approximates their fair value. After initial recognition, receivables are measured at amortised cost using the effective interest method less any impairment losses (refer to note 3(g) for more information).
The effective interest method calculates the amortised cost of a financial asset or financial liability and allocates the interest income or interest expense, including any fees and directly related transaction costs that are an integral part of the effective interest rate, over the expected life of the financial asset or liability so as to achieve a constant yield on the financial asset or liability.

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3. Significant Accounting Policies (continued)

(e) Financial Assets and Financial Liabilities at Amortised Cost (continued)

(i) Receivables

Receivables include amounts where settlement has not yet occurred and include outstanding settlements on the sale of investments. Amounts are generally received within 30 days of being recorded as receivables. With the short time period and the high credit quality of the financial assets, investment income receivables and due from brokers measured at amortised cost, the Scheme does not anticipate any expected credit losses to be applicable for these assets.

(ii) Payables

Payables are recognised for amounts to be paid in the future for goods and services received, whether billed to the Scheme, and include outstanding settlements on the purchase of investments. Payables are measured initially at fair value and subsequently at amortised cost. Amounts are generally paid within 30 days of being recorded as payables. Given the short-term nature of most payables, the carrying amount approximates their fair value.

(f) Taxation

The Scheme qualifies as, and has elected to be, a multi-rate 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 tax expense or deferred tax assets or liabilities.

PIE tax in the Statement of Net Assets represents tax payable/receivable on behalf of the Members under the PIE regime. Under the PIE regime, the Manager attributes the income of the Scheme to Members in accordance with their proportionate interest in the Scheme during the period. Taxable income attributed to each Member is taxed at the Member's prescribed investor rate. The Manager adjusts the Members' interests in the Scheme to reflect that the Scheme pays tax at varying rates on behalf of members.

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

(g) Impairment of Assets Carried at Amortised Cost

At the reporting date, the Scheme measures the loss allowance on financial assets, other than those at FVTPL, at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If at the reporting date, the credit risk has not increased significantly since initial recognition, the Scheme measures the loss allowance at an amount equal to 12-month expected credit losses. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due or a counterparty's credit rating has fallen below BBB/Baa. Any contractual payment which is more than 90 days past due is considered credit impaired. Significant financial difficulties of the debtor, probability that a debtor will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that a financial asset is credit impaired. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance.

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3. Significant Accounting Policies (continued)

(h) Income recognition

Income is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Scheme and the income can be reliably measured. The following specific recognition criteria must also be met before income is recognised:

(i) Interest

Interest income is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

(ii) Changes in fair value of investments

Net gains or losses on investments at FVTPL are calculated as the difference between the fair value at sale, or at period end, and the fair value at the previous valuation point or cost. This includes both realised and unrealised gains and losses, but does not include interest.

(i) Expense recognition

Expenses are recognised in the Statement of Net Assets on an accrual basis.

(j) Payables

All payables are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

(k) Member funds

Members' interests in the Scheme provide members with the right to request redemption for cash of their interest at the value at which their investments can be realised if they meet certain requirements of the Trust Deed. All members' interests qualify as "puttable instruments". On acceptance of a request of members eligible to realise their interest, the Manager sells the relevant investments to market or to members joining the Scheme at market prices for payment to such members. The expected cash outflow on realisation will depend on when each member is eligible to request and does request the realisation of such interest. The net assets attributable to each member depends on that member's interest in the Scheme and each relevant Investment Portfolio, and the relevant investment direction. Members do not have identical rights to the net assets of the Scheme and, as a result, member funds are classified as financial liabilities.

Member funds are carried at the redemption amount that is payable at the Statement of Net Assets date if all members exercised their rights to redeem their interests. Member funds are measured at amortised cost.

(l) New standards and amendments

There are no new standards and no new amendments to or interpretations of standards that have been effective for the reporting period that have a material effect on the financial statements of the Scheme.

There are no new standards and no new amendments to or interpretations of standards that have been issued but are not yet effective that are expected to materially impact the financial statements of the Scheme.

(m) Change of comparatives

Certain items have been reclassified from the Scheme's prior year financial statements to conform to the current year's presentation basis. The reclassification relates to the net presentation of the purchase and sale of investments, previously presented gross on the Statement of Cash Flows to better reflect actual cash flows. This has also been reflected in the related party diclosures in Note 14.

4. Net gains/(losses) on Financial Instruments at Fair Value through Profit or Loss

	Period Ended 31 December 2023 $000	Year Ended 31 March 2023 $000
Net losses from derivatives	(134)	(852)
Net gains/(losses) from investments	5,298	(1,318)
Total net gains/(losses) on financial instruments at FVTPL	**5,164**	**(2,170)**

5. Management and Administration Fees

The fee charged to each member for the management and administration of the Scheme is currently up to 1.5% per annum of the member's account balance (subject to a minimum of $120 per annum), calculated and deducted monthly by the Manager. The fee covers charges for Supervisor services, administration services, investment management services (among others) but does not cover third party costs incurred in the buying, selling or holding of investments, such as brokerage or any third-party charges incurred in investing in unit trusts.

Management and administration fees for the period ended 31 December 2023 totalled $509,000 (March 2023: $731,000).

The fee charged by the Auditor and paid by the Manager for the audit of the financial statements was $24,900 (March 2023: $32,374). The Auditor also performs registry compliance services for $8,000 (March 2023: $4,460). These audit fees are exclusive of GST.

6. Financial Assets and Liabilities held at Fair Value through Profit or Loss

The Scheme holds investment assets in the Kiwi Wealth Fixed Interest Fund and Kiwi Wealth Growth Fund (both of which are related to the Manager).

Forward foreign exchange contracts are the only derivatives used by the Scheme during the period. As at 31 December 2023 the funds of the Scheme were not invested in derivatives.

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6. Financial Assets and Liabilities held at Fair Value through Profit or Loss (continued)

A summary of the main instruments held by the Scheme as at 31 December 2023 and 31 March 2023 are:

	As At 31 December 2023 $000	As At 31 March 2023 $000
Investments		
Unlisted unit trusts	28,423	63,573
Derivatives		
Derivative assets held for risk management	-	127
Total financial instruments measured at fair value	**28,423**	**63,700**

The underlying investments that exceeded 5% of total investments held by the Scheme or 5% of each financial instrument type are:

		As At 31 December 2023			As At 31 March 2023		
Investment securities that exceed 5% of total investments	**Instrument Type**	**Fair Value $000**	**% of investments**	**% of Instrument Type**	Fair Value $000	% of investments	% of Instrument Type
Kiwi Wealth Growth Fund	Unlisted unit trust	17,362	61%	61%	41,504	64%	65%
Kiwi Wealth Fixed Interest Fund	Unlisted unit trust	11,061	39%	39%	22,070	34%	35%

7. Members' Benefits

(a) Net assets available to pay benefits

All available funds are allocated to member accounts. The Scheme does not have separate employer accounts and does not have any reserve funds.

(b) Vested benefits

Vested benefits are benefits which, under the conditions of the Scheme, are not conditional on continued membership. Under the Trust Deed all benefits are fully vested. The value of vested member benefits as at 31 December 2023 is $28.7 million (31 March 2023: $63.9 million).

(c) Guaranteed benefits

No guarantees have been made in respect of any part of the liability for accrued benefits.

8. Fair Value of Financial Instruments

These disclosures supplement the commentary on financial risk management in note 10.

Key sources of estimation uncertainty

Determining fair values

The determination of fair values for financial assets and liabilities for which there is no observable market prices requires the use of valuation techniques described below. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

Valuation of financial instruments

The Scheme's accounting policy on fair value measurements is explained in note 3(d).

The Scheme measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

• Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

• Level 2: Valuation techniques based on observable inputs, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

• Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation, as well as instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

	As At 31 December 2023				As At 31 March 2023			
	Level 1	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Instrument Hierarchy	$000	$000	$000	$000	$000	$000	$000	$000
Unlisted unit trusts	-	28,423	-	28,423	-	63,573	-	63,573
Forward foreign exchange contracts	-	-	-	-	-	127	-	127
Total	**-**	**28,423**	**-**	**28,423**	-	63,700	-	63,700

The Scheme has no investments classified as Level 1 or Level 3 as at 31 December 2023 (31 March 2023: Nil).

9. Funding Policy

In accordance with the Trust Deed, members may contribute to the Scheme at varying designated rates linked to their salaries or in lump sum payments. Members may pay additional contributions to the Scheme in excess of any salary linked contributions. These contributions do not affect the level of employer contributions in respect of that member. Employee contribution rates depend on the contribution rate chosen by the member at rates ranging from 1% to 6% of their salary (after the deduction of withholding tax and certain other benefits accrued).

10 Financial Risk Management

The Scheme may be exposed to credit risk, settlement risk, liquidity risk, market price risk, interest rate risk and foreign currency risk through the financial instruments it holds. This note presents information about the Scheme's exposure to each of these risks, the Scheme's policies and processes for managing such risks and the Scheme's management of capital. The risk disclosures have been prepared on the Scheme's direct holdings and not on a full look-through to account for investments held indirectly through other managed funds (such as certain listed and unlisted unit-trusts).

Risk management framework

The investment of the Scheme is determined by the members' investment directions, asset allocation limits, and investment guidelines. The asset allocation limits determine the extent to which the Scheme can invest in certain asset groups. The investment guidelines establish target bands for each asset group within each Investment Portfolio and guide the extent to which an Investment Portfolio can be invested in single issuers, issuer types and third-party investment managers. Compliance with the asset allocation limits and the composition of each Investment Portfolio is monitored by the Manager on a regular basis. Should an Investment Portfolio exceed an asset allocation limit, the Scheme's Investment Manager is obliged to take actions to rebalance that Investment Portfolio to ensure compliance with the limit.

a) Credit risk

Credit risk is the risk that a counterparty to a financial instrument in which the Scheme has an interest will fail to discharge an obligation or commitment that it has entered, resulting in a financial loss to the Scheme. It arises from fixed interest securities, derivative financial instruments, cash and cash equivalents, and receivables held by or on behalf of the Scheme. For risk management reporting purposes, the Scheme considers and consolidates all elements of credit risk exposure (such as individual obligor default risk, country and sector risk).

Management of credit risk

The investment policies applying to the Scheme only allow fixed interest investments in liquid securities at purchase, meaning that there is a secondary market available where these assets are readily traded. In addition, the Investment Manager has established an approval process for establishing new counterparts or derivatives.

10. Financial Risk Management (continued)

a) Credit risk (continued)

The Scheme measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward-looking information in determining any expected credit loss. At 31 December 2023, all amounts due, and cash held are with counterparties with a credit rating of AA/AAa or higher and are due to be settled within 1 week. Management considers the probability of default to be close to zero as these instruments have a low risk of default and 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.

The following investment guidelines apply to the Scheme. Given the range of assets and issuers and in some cases the complex relationships that exist in financial markets, it is important to see the below as guidelines rather than rigid rules. Accordingly, the below are not limits on the nature or type of investments that may be made, or on the proportion of each type of asset invested in, for the purposes of section 164 of the Financial Markets Conduct Act 2013 ("FMC Act").

The Manager and the Investment Manager will take reasonable care to ensure that investments of the Scheme, excluding specified related party investments to which the Supervisor has agreed these guidelines do not apply, adhere to the following guidelines:

Exposure to credit risk

The carrying amount of the Scheme's investments represent the Scheme's maximum credit exposure. The Scheme's maximum exposure to credit risk for cash and cash equivalents by significant counterparty is as follows:

	As At 31 December 2023		As At 31 March 2023	
	$000	% of Scheme	$000	% of Scheme
ASB Bank Limited - cash and cash equivalents	566	2%	461	1%
Westpac Limited - cash and cash equivalents	366	1%	246	0%
Total cash related credit risk exposure	**932**	**3%**	**707**	**1%**

10.. Financial Risk Management (continued)

a) Credit risk (continued)

The Manager monitors the financial position of each bank on an on-going basis. At balance date, the Scheme had cash and cash equivalents related credit exposure to ASB Bank Limited and Westpac Limited which have Standard & Poor's credit ratings of AA- (31 March 2023: AA-) equal to the amount stated in the Statement of Net Assets.

Derivative financial instruments

The Scheme uses over the counter ("OTC") derivatives. OTC derivatives expose the Scheme to the risk that the counterparties to the derivative financial instruments might default on their obligations to the Scheme. Derivative profit and loss positions are monitored on a regular basis and the counterparty risk is managed within the Scheme's investment guidelines. Such guidelines permit entry by the Scheme into certain OTC derivatives where the Manager (or its delegate) considers it in the best interests of the Scheme and its members, provided that the Manager (or its delegate) neither enters any OTC derivatives that give rise to obligations beyond the value of the Scheme's assets, nor exceeds any limit agreed from time to time by the Supervisor and Manager on the size of an OTC derivatives contract.

Derivative financial instruments are principally transacted with counterparties that have a credit rating of at least AA-, as determined by Standard & Poor's, and with whom the Manager has netting arrangements. The netting arrangements provide for the net settlement of certain contracts with the same counterparty in the event of default. As a result of such netting arrangements, at 31 December 2023, the Scheme would be entitled to offset derivative assets against derivative liabilities or portions of them in the event of counterparty defaults.

For the purposes of reporting in the Statement of Net Assets, where applicable, outstanding derivative financial assets and liabilities have been netted. The net exposure to credit risk may change significantly within a short period of time due to the highly volatile nature of the fair value of the derivatives underlying the arrangements.

Offsetting and amounts subject to netting arrangements and similar agreements

As at 31 December 2023, the Scheme was subject to an International Swaps and Derivatives Association (ISDA) arrangement with Bank of New Zealand. According to the terms of the ISDA arrangement all the derivatives are settled net. The following tables present the Scheme's financial assets and liabilities subject to offsetting, enforceable master netting arrangements and similar agreements. The tables are presented by type of financial instrument.

	Gross amounts of recognised financial assets set-off in Statement of Net Assets	Gross amounts of recognised financial liabilities set-off in the Statement of Net Assets	Net amounts of financial assets presented in the Statement of Net Assets	Related amounts not set-off in the Statement of Net Assets		
				Financial instruments	Cash collateral received	Net amount
Description	$000	$000	$000	$000	$000	$000
Forward foreign exchange contracts as at 31 December 2023	-	-	-	-	-	-
Forward foreign exchange contracts as at 31 March 2023	139	(12)	127	-	-	127

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

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

10. Financial Risk Management (continued)

a) Credit risk (continued)

Concentration of risk

At balance date, the Scheme's securities exposures were concentrated into the Kiwi Wealth Growth Fund and the Kiwi Wealth Fixed Interest Fund according to their respective investment mandates.

b) Environmental & Social risk

The Scheme's investment activities are exposed to various environmental, social, and governance (ESG) risks and opportunities. The Manager recognises this risk and ensures that all investment activity is managed in accordance with Fisher Fund's Responsible Investment Policy.

The policy outlines key ways in which Fisher Funds aims to invest responsibly, including maintaining a Prohibited Companies/Exclusions List that identifies companies that do not meet Fisher Funds' ESG standards, incorporating ESG considerations into all fundamental research and engagement with companies, along with exercising proxy voting rights in a way which takes into account Fisher Funds' ESG standards.

Fisher Funds also maintain an ESG committee, which covers activities of the Scheme, whose key responsibility is to ensure the Prohibited Companies List is updated to exclude industries relating to the manufacture of weaponry or tobacco products, ownership of fossil fuel reserves, or any company with core business activities related to gambling. Outside of these activities, the ESG committee maintains sole discretion over companies placed on the Prohibited Companies List. The ESG committee consists of members appointed by the CEO, at their discretion, and are required to meet quarterly to update the Prohibited Companies List.

c) Settlement risk

The Scheme's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed.

With most transactions being related party investments into the Kiwi Wealth Growth Fund and Kiwi Wealth Fixed Interest Fund, the settlement risk is reduced compared with investments in other securities and assets.

d) Liquidity risk

Liquidity risk is the risk that the Scheme will encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or a financial instrument, or that such obligations will have to be settled in a manner disadvantageous to the Scheme.

Management of liquidity risk

The Scheme is not unitised. Withdrawals are managed by each member having their share of the Scheme assets sold at the prevailing market price.

Order of liquidity is determined by the average time it takes to liquidate the Scheme's assets. Cash deposits can be held at any bank and in normal circumstances may be withdrawn within 24 hours. Equities are more liquid than fixed interest securities as they are exchange traded. The Manager favours liquid and transparent investments so that the underlying sources of risk and return are clear, and investments can be exited at reasonable prices, in times of stress. The Manager reviews the Scheme's investments on a regular basis to ensure their liquidity and provides oversight for risk management and derivative activities.

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10. Financial Risk Management (continued)

d) Liquidity risk (continued)

Maturity analysis for financial liabilities

Financial liabilities of the Scheme comprise payables for withdrawals, management and administration fees payable, and member funds.

	As At 31 December 2023		As At 31 March 2023	
Financial Liabilities	Carrying amount $000	Less than 2 months $000	Carrying amount $000	Less than 2 months $000
Withdrawals payable	(125)	(125)	(260)	(260)
Management and administration fees payable	(28)	(28)	(61)	(61)
Member funds	(28,706)	(28,706)	(63,936)	(63,936)
Total	**(28,859)**	**(28,859)**	**(64,257)**	**(64,257)**

Member funds can be redeemed or transferred on demand at the relevant member's option provided the member meets certain requirements of the Trust Deed. However, the Manager does not envisage that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as members holding these instruments typically retain them for the medium to long term. At 31 December 2023, no individual member held more than 10% of the member funds (31 March 2023: nil).

e) Market price risk

Market price risk is the risk that the Scheme's income or the value of its holdings of financial instruments will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual financial instrument or by factors affecting all instruments of a specific type trading in a market. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

The table below summarises the sensitivity of the Scheme's net assets attributable to members to movements in prices including the effect of movements in foreign currency exchange rates, as at 31 December 2023. A variable of 20% and 10% (31 March 2023: 20% and 10%) was selected for market price risk sensitivity as this is a reasonably expected movement taking into account historical volatility. If prices for the Scheme's' investments had increased or decreased by 20% and 10% (31 March 2023: 20% and 10%) with all other variables held constant, this would have had the following impact on the Statement of Changes in Net Assets and Net Assets Attributable to members.

	Period Ended 31 December 2023		Year Ended 31 March 2023	
Increase/decrease in income/net assets	*Sensitivity @ 20%* $000	*Sensitivity @ 10%* $000	*Sensitivity @ 20%* $000	*Sensitivity @ 10%* $000
Unlisted Unit Trusts	5,685	2,842	12,715	6,822

10. Financial Risk Management (continued)

e) Market price risk (continued)

Management of market price risk

The Scheme's strategy for the management of market price risk is driven by the Scheme's investment objectives. The investment objective for each Fund is to deliver returns that, over the relevant investment timeframe, exceed that Fund's benchmark with similar levels of risk. The Investment Manager aims to deliver those returns with lower volatility (i.e., less risk) than the benchmark. It looks to achieve this, as an active investment manager, by exercising the discretion to change the asset allocation between shares, fixed interest, cash and other financial instruments and to actively choose individual securities and investments.

The Scheme’s market risk is managed on a regular basis by the Investment Manager in accordance with the investment guidelines and other policies and procedures in place. Investment guidelines apply that guide the extent to which the Scheme invests in financial instruments to help ensure diversity and the use of forward foreign exchange contracts to mitigate fluctuations in foreign currency exchange rates. The Scheme’s market positions are monitored on a regular basis by the Investment Manager. The Investment Manager also ensures the Scheme is well diversified across several financial instruments and investment themes. The Manager may invest directly into the asset group or gain exposure to the asset class indirectly through other investment vehicles (e.g., through a managed fund or other type of managed fund).

The Scheme may use derivatives to manage its exposure to foreign currency and interest rate risks. There were no derivatives held by the Scheme at 31 December 2023.

f) Interest rate risk

Interest rate risk affects the Scheme in two ways - the value of a financial instrument may fluctuate due to a change in market interest rates, and a change in market interest rates may cause the cash flows received to fluctuate. The Investment Manager manages interest rate risk by actively managing the average maturity date of the Scheme's fixed interest instruments in response to changes in the Investment Manager’s interest rate view. Additionally, the Investment Manager manages the interest rate risk associated with cash holdings of the Scheme by actively managing its exposure to cash and the currencies it holds.

Cash and cash equivalents and fixed interest instruments that are interest bearing assets and recognised at FVTPL are reported in the following tables.

Interest rate sensitivities

The Scheme's interest-bearing financial assets and liabilities expose them to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on their fair values and cash flow.

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10. Financial Risk Management (continued)

f) Interest rate risk (continued)

Cashflow sensitivity analysis

A change in interest rates impacts the cash flow of the Scheme's cash and cash equivalents and floating rate notes (FRN's) by increasing or decreasing the amount of interest received.

The following table shows the impact on the Statement of Changes in Net Assets and Net Assets attributable to members had the relevant interest rates increased or decreased by 2% (31 March 2023: 2%) at balance date with all other variables held constant. The analysis is based on the Manager's best estimate of a reasonable possible shift in interest rates regarding historical volatility.

		As At 31 December 2023	As At 31 March 2023
		$000	$000
Cash and cash equivalents	Carrying amount	932	707
Impact of a change in interest rates	+2%	19	14
Impact of a change in interest rates	-2%	(19)	(14)

These movements arise substantially from the cash flow variability from cash and cash equivalents. In addition to the Scheme's direct exposure to interest rate changes on the fair value of financial asset and liabilities and on the cash flows of cash and cash equivalents shown above, the Scheme is indirectly affected by the impact of interest rate changes on the earnings of its investments in the Kiwi Wealth Fixed Interest Fund and the Kiwi Wealth Growth Fund, which forms part of the market price risk. Therefore, the above sensitivity analysis may not fully indicate the total effect on the Scheme's net assets attributable to members of future movements in interest rates.

Fair Value Sensitivity Analysis

The Scheme does not have any direct holdings in fixed interest securities.

g) Foreign Currency risk

Foreign currency risk is the risk that the value of a financial instrument or foreign cash will fluctuate due to changes in foreign exchange rates.

The Scheme is exposed to foreign currency risk through cash and cash equivalents, trade and other receivables, trade and other payables and forward foreign exchange contracts. The Investment Manager will attempt to offset currency exchange risks by entering a currency hedge to minimise risks associated with currency exchange rate fluctuations. The Scheme is exposed to currency risk to the extent that these currency hedge transactions are not effective.

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10 Financial Risk Management (continued)

g) Foreign Currency risk (continued)

The Investment Manager continuously monitors the Scheme's exposure to currency risk. An impact of 15% (31 March 2023:15%) change in exchange rates is summarised as this is a reasonably expected movement considering the historical volatility.

	As At 31 December 2023						As At 31 March 2023					
	Monetary financial assets and liabilities	Forward foreign exchange contracts	Net exposure	% of Scheme	+15% change in exchange rate	-15% change in exchange rate	Monetary financial assets and liabilities	Forward foreign exchange contracts	Net exposure	% of Scheme	+15% change in exchange rate	-15% change in exchange rate
	$000	$000	$000		$000	$000	$000	$000	$000		$000	$000
Australian dollar	-	-	-	-	-	-	-	(535)	(535)	(1%)	(70)	94
Canadian dollar	-	-	-	-	-	-	-	(303)	(303)	-	(40)	54
Swiss franc	-	-	-	-	-	-	-	(216)	(216)	-	(28)	38
Danish krone	-	-	-	-	-	-	-	(70)	(70)	-	(9)	12
Euro dollar	-	-	-	-	-	-	-	(757)	(757)	(1%)	(99)	134
Pound sterling	-	-	-	-	-	-	-	(304)	(304)	-	(40)	54
Hong Kong dollar	-	-	-	-	-	-	-	(441)	(441)	(1%)	(58)	78
Japanese yen	-	-	-	-	-	-	-	(566)	(566)	(1%)	(74)	100
Norwegian krone	-	-	-	-	-	-	-	(14)	(14)	-	(2)	3
Swedish krona	-	-	-	-	-	-	-	(82)	(82)	-	(11)	15
Singapore dollar	-	-	-	-	-	-	-	(35)	(35)	-	(5)	6
US dollar	-	-	-	-	-	-	-	(5,175)	(5,175)	(8%)	(675)	913
Total Foreign Currency risk	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(8,498)**	**(8,498)**	**(12%)**	**(1,111)**	**1,501**

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11. Capital Management

The Scheme's capital is represented by the market value of the underlying net assets held by the Scheme on behalf of its members and is reflected in the Statement of Net Assets. The Scheme is not subject to any externally imposed capital requirements. The Scheme's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns to its members, maximise the Scheme's value, and ensuring its net assets are sufficient to meet all present and future obligations. In order to meet its objectives for capital management, the Manager reviews the Scheme's performance on a regular basis.

12. Financial Assets and Liabilities

Accounting classifications and fair values

The table below provides reconciliation of the line items in the Scheme's Statement of Net Assets to various categories of financial instruments.

	As At 31 December 2023				As At 31 March 2023			
	Financial instruments at FVTPL	Amortised cost	Other financial liabilities	Total carrying amount	Financial instruments at FVTPL	Amortised cost	Other financial liabilities	Total carrying amount
	$000	$000	$000	$000	$000	$000	$000	$000
Assets								
Investments	28,423	-	-	28,423	63,573	-	-	63,573
Cash and cash equivalents	-	932	-	932	-	707	-	707
Unallocated contributions	-	-	-	-	-	34	-	34
Derivative assets	-	-	-	-	127	-	-	127
Total assets	**28,423**	**932**	**-**	**29,355**	**63,700**	**741**	**-**	**64,441**
Liabilities								
Withdrawals payable	-	-	(125)	(125)	-	-	(260)	(260)
Unallocated withdrawals	-	-	-	-	-	-	-	-
Management and administration fees payable	-	-	(28)	(28)	-	-	(61)	(61)
Member funds	-	-	(28,706)	(28,706)	-	-	(63,936)	(63,936)
Total liabilities	**-**	**-**	**(28,859)**	**(28,859)**	**-**	**-**	**(64,257)**	**(64,257)**

The financial instruments not accounted for at FVTPL are short-term financial assets and liabilities whose carrying amounts approximate fair value.

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13. Derivative Assets and Liabilities

Forward currency contracts are primarily used by the Scheme to economically hedge against foreign currency exchange rate risks on its non-New Zealand denominated securities. The open forward positions as at balance date are outlined below:

	As At 31 December 2023 $ 000s		As At 31 March 2023 $ 000s	
	Notional	Net Asset	Notional	Net Asset
Forward Contracts Open Positions	-	-	8,626	127

14. Related Party Holdings and Transactions

Related parties comprise the Supervisor, the Manager and the shareholders of the Manager and other entities directly or indirectly controlled by the ultimate parent entity of the Manager as detailed in note 1. As at 31 December 2023, the Scheme held interests in financial instruments issued by related parties. The following table specifies the relevant related party financial instruments and their fair values.

		As At 31 December 2023		As At 31 March 2023	
		Units	Fair value	Units	Fair value
Related party issuer	**Security type**	000	$000	000	$000
Kiwi Wealth Growth Fund	Unlisted Unit Trust	8,068	17,362	22,003	41,504
Kiwi Wealth Fixed Interest Fund	Unlisted Unit Trust	8,217	11,061	17,227	22,070

In accordance with the Trust Deed and FMCA, the above related party transactions were affected on commercial arm's length and did not give related party benefits.

	As At 31 December 2023	As At 31 March 2023
	$000	$000
Purchase of financial instruments at fair value through profit or loss	770	2,683
Sale of financial assets at fair value through profit or loss	(41,218)	(6,006)

The fee deducted monthly by the Manager covers supervisor, audit and investment management charges (among others) as described in note 5. Such charges are invoiced to and paid by the Manager out of the fee it receives. There are no other related party charges.

Management and administration fees charged to and payable by the Scheme to the Manager were:	As At 31 December 2023	As At 31 March 2023
	$000	$000
Balance due at the beginning of the period	61	66
Current period management fees	509	731
Payment made during the period	(543)	(736)
Balance due at the end of the period	**28**	**61**

Outstanding balances to related parties are due within a month of balance date and are not interest bearing.

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15. Contingent Liabilities and Commitments

The Scheme had no material commitments or contingencies at 31 December 2023 (31 March 2023: nil)

16. Events Subsequent to Balance Date

The Going Concern assumption has not been applied in the preparation of the financial statements.

Scheme investments were sold in an orderly fashion following the wind-up date and the cash from the sales held in trust for distribution to those persons who had interests in the Scheme at wind-up date (Wind-up members). Wind-up members who provided payment instructions to the Manager prior to 16 March 2024 were paid a partial payment through February and March, of the majority of the value of the wind-up member's account at wind-up date. Final distribution to wind-up members will be paid pursuant to those members' instructions once the wind-up members and the Financial Markets Authority are provided a copy of these financial statements.

On 6 March 2024 Kiwi Wealth Investments Limited Partnership, the Manager, Administration Manager, and Investment Manager of the Scheme was renamed Fisher Funds Wealth Investments Limited Partnership.

There were no other significant events subsequent to balance date which require adjustment to or disclosure in these financial statements.

Independent Auditor's Report

To the members of the Kiwi Wealth Super Scheme

Report on the audit of the financial statements

Opinion

In our opinion, the financial statements of the Kiwi Wealth Super Scheme (the "Scheme") on pages 2 to 25 present fairly, in all material respects:

i. the Scheme's financial position as at 31 December 2023 and its financial performance and cash flows for the nine month period ended on that date (the "period");

ii. in accordance with New Zealand Equivalents to International Financial Reporting Standards issued by the New Zealand Accounting Standards Board and International Financial Reporting Standards issued by the International Accounting Standards Board.

We have audited the accompanying financial statements which comprise:

- the statement of net assets as at 31 December 2023;
- the statement of changes in net assets and statement of cash flows for the 9-month period then ended; and
- notes, including a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ("ISAs (NZ)"). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Our responsibilities under ISAs (NZ) are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

Our firm has also provided other services to the Scheme in relation to the audit of the register. Subject to certain restrictions, partners and employees of our firm may also deal with the Scheme on normal terms within the ordinary course of trading activities of the business of the Scheme. These matters have not impaired our independence as auditor of the Scheme. The firm has no other relationship with, or interest in, the Scheme.

Emphasis of matter

We draw attention to Note 2 to the financial statements which describes that the going concern assumption has not been applied in the preparation of the financial statements. Our opinion is not modified in respect of this matter.

Materiality

The scope of our audit was influenced by our application of materiality. Materiality helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole. The materiality for the Scheme's financial statements as a whole was set at 1% of the total assets. We chose the benchmark because, in our view, this is a key metric for the users of the financial statements given the Scheme's wind up and distribution of assets to members.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements in the current period. We summarise below those matters and our key audit procedures to address those matters in order that the members as a body may better understand the process by which we arrived at our audit opinion. Our procedures were undertaken in the context of and solely for the purpose of our statutory audit opinion on the financial statements as a whole and we do not express discrete opinions on separate elements of the financial statements.

The key audit matter	How the matter was addressed in our audit
Existence and valuation of investments	
Refer to Note 6 to the financial statements. Investments are the Scheme's main assets, and existence and valuation of those investments is the most important aspect of preparing the financial statements. As described in the financial statements, the Scheme's investments primarily include fund-to-fund investments held by one custodian. These factors reduce the risk and complexity of verifying investment existence and valuation.	Our audit procedures included: • documenting and understanding the processes in place to record investment transactions and to value the portfolio. This included evaluating the control environment in place at the custodian and the underlying wholesale funds' investment accounting service provider by obtaining and reading the service organisation reports issued by an independent auditor on the design and operation of those controls throughout the period; • agreeing investment holdings to the confirmations received from the custodian; • recalculating the unit prices of investment funds held directly and agreeing the valuation of the underlying wholesale funds' investments to independent third-party sources; and • checking the accuracy of fair value levels as disclosed in the financial statements. We did not identify any material differences from our procedures.
Calculation of management fees	
Refer to Note 5 Management and Administration Fees and Note 14 Related Party Holdings and Transactions in the financial statements. Under the terms of the governing document, Fisher Funds Management Limited (the "Manager") is entitled to receive a management fee, calculated based on each member's net asset value of the Scheme. As the Manager calculates and pays the fee on behalf of the Scheme to itself, there is an inherent risk that the Manager could manipulate the calculation to boost its own earnings from its administrative duties. Due to the inherent risk of fraud as management could override controls, we identified the calculation of management fees as an area of key audit focus.	Our audit procedures included: • documenting and understanding the process in place to calculate and record management fees as well as the processes to generate underlying information such as unit pricing; • recalculate the monthly management fee for a sample of members; and • assessed the related party disclosure in the financial statements for completeness and accuracy. We did not identify any material differences from our procedures.

Other matter

The financial statements of Kiwi Wealth Super Scheme, for the year ended 31 March 2023, was audited by another auditor who expressed an unmodified opinion on those statements on 4 July 2023.

Use of this independent auditor's report

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

Responsibilities of the Manager for the financial statements

The Manager, on behalf of the Scheme, is responsible for:

- the preparation and fair presentation of the financial statements in accordance with generally accepted accounting practice in New Zealand (being New Zealand Equivalents to International Financial Reporting Standards) and International Financial Reporting Standards issued by the New Zealand Accounting Standards Board;
- implementing necessary internal control to enable the preparation of a set of financial statements that is free from material misstatement, whether due to fraud or error; and
- assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objective is:

- to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and
- to issue an independent auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs NZ will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of these financial statements is located at the External Reporting Board (XRB) website at:

http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-2/

This description forms part of our independent auditor's report.

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

For and on behalf of:

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KPMG
Auckland

22 March 2024