

Kiwi Wealth Super Scheme

Annual Report 1 April 2022 – 31 March 2023

**Kiwi
Wealth.**

WHAT A YEAR IT'S BEEN



Kiwi Wealth Super Scheme **at a glance**
for the year ended 31 March 2023

Proportion invested in each fund

CONSERVATIVE

16%

BALANCED

38%

GROWTH

46%

WE'VE PAID OVER

\$3.3m

TO KIWI FOR THEIR RETIREMENT



AVERAGE AGE OF SUPER CUSTOMER IS

52 years old

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What happened in global investment markets

2022 was a rough year for investors across most asset classes. News flow was dominated by the invasion of Ukraine and spiking prices, forcing central banks to admit that their initial hopes of temporarily high inflation were wrong and resulting in significant and aggressive monetary policy changes through consecutive rate hikes as inflation hit 40-year highs. The knock-on effects of rising rates meant that both global equity and bond markets ended down for the year, an event which has only happened four other times in the last 100 years.

For the calendar year 2022, US markets bore the brunt of the equity market sell-off as the two major indices (S&P500 and NASDAQ100) returned -19.44% and -32.97%, respectively. Local markets were also not immune to the global economic challenges, with the NZX50 returning -11.97% for the year, outperforming the S&P500 Index by 7.47% largely due to the more defensive nature of the index construction.

Rising interest rates also caused many major bond indices to record double-digit declines. In fact, 2022 was one of the most brutal years for fixed income since records began over 300 years ago. The chief culprit was the sky-high inflation around the world, reaching as high as double-digits in Europe. When inflation rises, interest rates also rise as investors look to get

a higher interest rate to compensate them for the loss of purchasing power of their capital in the future.

As 2023 arrived, the picture was looking a lot more rosy. An unusually warm winter helped ease energy prices in the US and Europe, while China bounced back following the softening of COVID-19 restrictions. Moreover, stubborn inflation seemed to have peaked, and with the consumer still healthy as the level of employment remained solid, pundits were flirting with the idea of a “soft landing”. However, the historic levels of central bank tightening started to show its effects in the final weeks of the financial year with instability among US regional banks and the fall of Swiss banking giant Credit Suisse.

Although concerns in the banking sector appear to be easing, the ordeal has left investors pondering what other parts of the market are beginning to show signs of cracks in the rising interest rate environment. Most economists expect cost of living pressures and higher interest rates to result in a consumer-led recession later in the year. A mild recession and slightly elevated unemployment may not be too concerning for markets, but the scale of interest rate hikes by central banks does raise the risk of a “hard landing”.

Responsible Investment

Kiwi Wealth's robust approach to responsible investing was recognised in 2022 when Kiwi Wealth was again named as a leading investment manager in the Responsible Investment Association Australasia's (RIAA) Responsible Investment Benchmark Report New Zealand 2022 (covering the period 1 January 2021 – 31 December 2021), reinforcing a commitment to engaging in leading practices including ESG integration, collaborative engagement, and consistent proxy voting in support of socially responsible outcomes.

In September 2022 Kiwi Wealth published its inaugural Stewardship Report, which covers responsible investment activities and outcomes over the previous financial year. The report included information on topics such as Kiwi Wealth's approach to ESG engagement, metrics on our proxy voting and examples of how Kiwi Wealth's proxy voting has helped to influence positive ESG change.

Kiwi Wealth also contributed to and became one of the founding signatories of the Aotearoa New Zealand Stewardship Code. This industry-led Code aims to create and preserve intergenerational value for Kiwi investors and help direct capital where it is most needed for a resilient economy.

The New Zealand Government passed legislation requiring mandatory reporting, starting in 2023, on climate related risks for a range of organisations including fund managers. Alongside other industry participants, Kiwi Wealth actively engaged in the consultation process and attended workshops related to this legislation during 2022. Work has also begun to meet the reporting requirements of this legislation in the coming year.

Following the sale of Kiwi Wealth to Fisher Funds in late 2022, there has been substantial progress on amalgamating and aligning the Responsible Investing policies of both firms. This will help ensure that there is a consistent and streamlined approach to Responsible Investing across the wider organisation. Pleasingly, both firms have a long history of investing responsibly and there is a strong overlap in the Responsible Investing policies of Fisher Funds and Kiwi Wealth. As a unified organisation, Fisher Funds will retain the high quality and key components of both Responsible Investing programmes. Going forward, the increased scale of the business gives the capacity to keep investing and furthering the work on Responsible Investing initiatives. Fisher Funds is excited by the prospect of building on Kiwi Wealth's Responsible Investing heritage.

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Details of the Scheme

Scheme Name	Kiwi Wealth Super Scheme
Type of Scheme	Superannuation Scheme (including a Legacy Section) and Workplace Savings Scheme.
Manager	Kiwi Wealth Investments Limited Partnership
Supervisor	Public Trust
The date of the latest Product Disclosure Statement	28 October 2022
Status of the latest Product Disclosure Statement	Open for applications

The 30 June 2023 quarterly fund update for each fund is currently available at
www.kiwiwealth.co.nz/products/super/performance/

The 31 March 2023 financial statements and auditors report for the Scheme have been registered under the Financial Markets Conduct Act 2013 and are available at
www.kiwiwealth.co.nz/products/super/key-documents/

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Information on contributions and Scheme participants



Total number of Scheme participants

472¹

As at 1 April 2022

453

As at 31 March 2023



Total number of contributing Scheme participants

182²

As at 1 April 2022

170

As at 31 March 2023



Total number of non-contributing Scheme participants

290³

As at 1 April 2022

283

As at 31 March 2023

Total number of persons who became Scheme participants during the year ended 31 March 2023

Transfer from other schemes:

14

Other new members:

15

Total

29

1. Adjusted from 468 in the 2022 Annual Report.

2. Adjusted from 181 in the 2022 Annual Report.

3. Adjusted from 287 in the 2022 Annual Report.

Total number of persons who ceased to be members of the Scheme during the year ended 31 March 2023:

Reason	Number
Retirement	15
Death	1
Other	
Nil Balance	4
Redundancy	0
Resignation	20
No Reason	0
Transfers to other schemes (out)	8
Total	48

Scheme participants' accumulations:

	Participants	Accumulation
As at 1 April 2022	413	\$69,672,696
As at 31 March 2023	401	\$63,935,448

Total contributions received during the year ended 31 March 2023:

Contribution type	Participants	Contributions
Member	131	\$741,619
Employer or other sponsor	134	\$768,078
Member voluntary additional	54	\$705,507
Total		\$2,215,205

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Changes relating to the Scheme

There were no material changes to the Scheme's governing documents, terms of offer of the Scheme, or the Statement of Investment Policy and Objectives of the Scheme during the year ended 31 March 2023.

Related party transactions

There were no material changes to the nature or scale of related party transactions for the Scheme. All related party transactions during the year to 31 March 2023 were on an arm's length basis and enacted on normal commercial terms.

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Other information for particular types of managed funds

The number of scheme participants who made a withdrawal during the year ending 31 March 2023 were as follows:

Withdrawal type	Number of participants
Serious Illness	0
Death	1
Hardship	0
Redundancy	0
Resignation	22
Retirement	68
Transfer (out)	3
Income for Life	0
Total	94

Investment Performance to 31 March 2023

Fund	1 Year	5 Years
Conservative Fund	-1.68%	1.24%
Balanced Fund	-4.02%	4.21%
Growth Fund	-5.86%	6.33%

Fund performance figures are after deductions for charges but before tax. The five year performance figures have been annualised. Please note that past performance is not necessarily indicative of future returns. Returns can be positive or negative, and returns over different time periods may vary. No returns are promised or guaranteed. Longer term performance figures are available at www.kiwiwealth.co.nz/products/super/monthly-returns/.

Supervisor's Statement

Public Trust, as Supervisor of the Scheme confirms that all contributions required to be made to the Scheme in accordance with the terms of the governing document have been made.

Corporate Trustee Services

Public Trust

Manager's Statement

Kiwi Wealth Investments Limited Partnership, as manager of the Scheme confirms that:

- All the benefits required to be paid from the Scheme in accordance with the terms of the governing document and (where applicable) the Superannuation scheme rules have been paid; and
- The market value of the Scheme property at the end of 31 March 2023 equalled or exceeded the total value of benefits that would have been payable had all members of the Scheme ceased to be members at that date and had provision been made for the continued payment of all benefits being paid to members and other beneficiaries as at 31 March 2023.

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Changes to persons involved in the Scheme

There has been a change in control of the Manager. On 30 November 2022 Fisher Funds Management Limited became the owner of the Kiwi Wealth entities.

There were no changes to the Investment Manager, Administration Manager, Securities Registrar, the Supervisor, Custodian, or Auditor of the Scheme.

Changes to the directors of the manager

The following directors resigned from their positions on 30 November 2022

Gregg Behrens – Chairman, **David Havercroft**, **Michael O'Donnell**, **Linda Robertson**, **David Smith**

The following directors were appointed on 1 December 2022

David Clarke – Chairman, **Margaret Anne Blackburn**, **Guy Roper**, **Edward F. Sippel**, **Jennifer Moxon**, **Michael Berk**, **Mark Lazberger**

Changes in senior management of the manager

The following Senior Management positions were disestablished

Rhiannon McKinnon – Chief Executive Officer, **Steffan Berridge** – Chief Investment Officer, **Craig Ward** – Chief Technology Officer, **Morne Redgard** – Chief Customer Officer

The following personnel became Senior Management as Kiwi Wealth began integration with Fisher Funds:

Bruce McLachlan was appointed Chief Executive Officer, **Nilesh Mistry** was appointed Chief Operating Officer, **Catherine Lomax** was appointed Chief Client Officer, **Ashley Gardyne** was appointed Chief Investment Officer, **Andrew Donaldson** was appointed Chief Financial Officer, **Marcus Wild** was appointed Chief Marketing Officer, **Pauline Stockill** was appointed Chief People Officer

Changes to the supervisor or the supervisor's board members

There was one Director change to Public Trust's Board, **Vicki Ann Sykes** departed on 31 October 2022. There have been no other changes to the supervisor of the Scheme in the year ended 31 March 2023.

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How to find further information

Further information about the Scheme and the Funds can be found on the Disclose Register at disclose-register.companiesoffice.govt.nz/

There are two parts to the Disclose Register:

1. The scheme register includes information such as the governing document, financial statements and the statement of investment policy and objectives.
2. The offer register includes information such as the product disclosure statement, quarterly fund updates, historic fund returns and other material information.

This information is also available on our website www.kiwiwealth.co.nz or you can call us on 0800 427 384 to request this information. The information can be obtained from us without charge.

Once your account has been opened, you can view information about your investment by logging on through www.kiwiwealth.co.nz. This information will include your Annual PIE Tax Statement (which will be issued by 30 June each year) and will include the amount of PIE income attributed to you and the amount of PIE tax paid at your PIR. You will also be asked to check your PIR. You can obtain general information about us and the Scheme at www.kiwiwealth.co.nz.



Contact details and complaints

If you have any questions about your investment in the Scheme please contact:

The Manager

Kiwi Wealth Investments Limited Partnership
Freepost 210729
PO Box 10068
Wellington 6140

Attention: Kiwi Wealth Super Scheme Client Success Team

Telephone: 0800 427 384 during normal business hours

Email: questions@kiwiwealth.co.nz

Website: www.kiwiwealth.co.nz/contact/

You may also contact the Supervisor at:

General Manager
Corporate Trustee Services
Public Trust
Private Bag 5902
Wellington 6140
Telephone: 0800 371 471

If you are not satisfied with the service you have received from Kiwi Wealth, then you should contact us. We have an internal complaints process and undertake to investigate your concerns promptly and fairly. You may contact us to make a complaint by telephone, email or in writing as follows:

Client Success Manager

Kiwi Wealth Investments Limited Partnership
Freepost 210729
PO Box 10068
Wellington 6140

Attention: Kiwi Wealth Super Scheme Client Success Team

Telephone: 0800 427 384 during normal business hours

Email: questions@kiwiwealth.co.nz

You may also contact the Supervisor at their address in the previous column.

Kiwi Wealth is a member of the Insurance & Financial Services Ombudsman Scheme (IFSO), an approved dispute resolution scheme. If you have complained to us and you have reached the end of our internal complaints process without your complaint being resolved to your satisfaction, the IFSO may be able to consider your complaint. Other criteria must also be met.

Call: 0800 888 202

Fax: (04) 499 7614

Email: info@ifso.nz

Write to:

Insurance & Financial Services Ombudsman Scheme
PO Box 10-845
Wellington 6143

The IFSO will not charge a fee to any complainant to investigate or resolve a complaint.

Public Trust is a member of an approved dispute resolution scheme operated by Financial Services Complaints Limited – A Financial Ombudsman Service (FSCL). If your complaint to Public Trust has not been resolved you can refer it to FSCL.

Call: 0800 347 257

Email: complaints@fscl.org.nz

Write to:

Financial Services Complaints Limited
PO Box 5967
Wellington 6140

FSCL will not charge a fee to any complainant to investigate or resolve a complaint.



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