

Kiwi Wealth Super Scheme

Annual Report 1 April 2021 - 31 March 2022

**Kiwi  
Wealth.**

# WHAT A YEAR IT'S BEEN



Kiwi Wealth Super Scheme **at a glance**  
for the year ended 31 March 2022

Proportion invested in each fund

CONSERVATIVE

17%

BALANCED

39%

GROWTH

44%

WE'VE PAID OVER

\$4.2 million

TO KIWI FOR THEIR RETIREMENT



AVERAGE AGE OF SUPER CUSTOMER IS

52 years old

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# CEO's message

## Kia ora koutou

There is no sugar-coating it: wherever you are in your investment journey, you will be seeing some ups and downs right now. In times like these, our team at Kiwi Wealth doubles down on our efforts to communicate with you and the wider market – to tell you what's happening and what it means for you. For our portfolios that are actively managed, our investment team look for new opportunities and adjust these portfolios to what best suits the environment, while still holding the companies we invest in to account as part of our Responsible Investment Policy.

In the past year we have remained one of six KiwiSaver default providers and, more broadly, a wealth provider focused on doing the right thing by you, your money, and society.



As part of our purpose – Enabling Kiwi to have a brighter financial future – we will continue to advocate for the financial interests of Kiwi and **help influence the market for the better.**”

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We'll continue working hard to provide you with the information and advice you need to take control of your investments, and help reach your goals – whatever they may be.

On behalf of our team working hard around the country, I thank you for placing your trust in Kiwi Wealth.



Mā te wā,

**Rhiannon McKinnon**

Chief Executive Officer

# 01

## What happened in global investment markets

Global equity markets surprised even the most optimistic estimates in 2021, looking beyond the challenges posed by the evolving pandemic. While new variants, Delta and Omicron, certainly hindered economic activity throughout the year, investors showed a readiness to forgive temporary disruptions. Company earnings held up well considering the uneven re-opening of economies following 2020's widespread restrictions, spurred on by high levels of consumer savings built up when everyone was locked up in their homes. US equities were again a standout, led by its formidable technology sector and strong consumer spending.

However, as the year progressed, inflation brought on by high levels of demand and fractured supply chains started to ramp up. As a result, central banks shifted their stance from viewing inflation as a "transitory" phenomenon to eventually realising it was more of an enduring issue. This pivot led central banks to withdraw much of their extraordinary stimulus put in place when COVID hit in 2020. Our own Reserve Bank of New Zealand being one of the first to start raising rates in November 2021. Since then, most other countries have followed suit, egged on by a series of sky-high inflation numbers over 6%.

In late February 2022, Russia's invasion of Ukraine caused a global shock in the markets. Commodity prices soared, given Russia is a key producer of several crucial commodities, including oil, gas, and wheat. This contributed to a further surge in inflation. Bond yields rose sharply (prices down) as increasingly hawkish central bank rhetoric had markets pricing in a faster pace of monetary tightening to combat high inflation. The US Federal Reserve finally came to the party, kicking off its tightening cycle near the end of the quarter ended 31 March 2022.

As we enter the next financial year, market sentiment has definitely changed. Investors now face a situation where inflation is at 40-year highs, and central banks have expressed they are willing to do whatever it takes to rein it in. This has put pressure on previous pandemic winners, like high growth technology companies, that now need to discount their future earnings at a higher rate. In addition, demand destruction is likely to occur as mortgages are fixed at higher rates and consumers tighten the purse strings. The focus now shifts to how the market will handle this volatile environment and if central banks can engineer a "soft landing".

# 02

## Responsible Investment

Active ownership, working towards solving systemic issues in parallel with real-term financial outcomes, played a central role in progressing our Responsible Investment (RI) strategy in 2021. Kiwi Wealth was again named a leading investment manager in Responsible Investment Association Australasia's (RIAA) Responsible Investment Benchmark Report New Zealand 2021 (covering the period 1 January 2020 - 31 December 2020), demonstrating our commitment to engaging in leading practices including ESG integration, collaborative engagement, and consistent proxy voting in support of socially responsible outcomes.

We began calculating the carbon emissions of our portfolio in advance of Climate-related disclosure standards (CS1) and have formally joined investment initiatives in support of the Task Force on Climate-related Financial Disclosures and the Net Zero Asset Managers Alliance, committing to investing aligned with net zero emissions by 2050. Climate action continues to lead investor engagement in shareholder resolutions; we voted in support of decarbonization strategies 100% of the time and saw 10 climate change resolutions pass. As signatories of Climate Action 100+ we're working collectively with investors to improve climate change governance and strengthen climate-related financial disclosures at some of the most carbon intensive companies

operating in the Asia Pacific region. We further trimmed our holdings in companies reliant on revenues from fossil fuels, so that we are consistent with the responsible investment rules that apply to our KiwiSaver Default fund.

A further 14 shareholder resolutions passed in support of stronger social and governance outcomes, focused on transparency in pay, supply chains and hiring practices. In response to customer feedback, we prioritized human rights in our engagement, joining the Investor Alliance for Human Rights to reduce risk posed to people through our investment in the Information and Communications Technology sector – specifically social media.

In early 2022, we strengthened our RI Policy to consider sovereign risk on the back of Russia's invasion of Ukraine and increased the number of companies we exclude based on risk to human rights.

We seek out strong boards in the companies we invest in – as at 31 March 2022, 92% of public companies we invest in have at least one female on the Board of Directors and 56% have 30% or more (18% higher than the S&P benchmark). We vote in support of the appointment and reappointment of independent Chairs at every opportunity and look forward to increasing our engagement with decision-makers in 2022.

# 03

## Details of the Scheme

<b>Scheme Name</b>	Kiwi Wealth Super Scheme
<b>Type of Scheme</b>	Superannuation Scheme (including a Legacy Section) and Workplace Savings Scheme.
<b>Manager</b>	Kiwi Wealth Investments Limited Partnership
<b>Supervisor</b>	Public Trust
<b>The date of the latest Product Disclosure Statement</b>	29 October 2021
<b>Status of the latest Product Disclosure Statement</b>	Open for applications
<b>The date of the latest fund update for each fund which the Scheme relates</b>	Dated 28 July 2022 for the quarter ended 30 June 2022.
<b>The latest financial statements and auditor's report</b>	The Scheme's latest audited financial statements (including the auditor's report) for the year ended 31 March 2022 were lodged with the Registrar on 21 July 2022.

# 04

## Information on contributions and Scheme participants



Total number of Scheme participants

457

As at 1 April 2021

468

As at 31 March 2022



Total number of contributing Scheme participants

181

As at 1 April 2021

181

As at 31 March 2022



Total number of non-contributing Scheme participants

276

As at 1 April 2021

287

As at 31 March 2022

### Total number of persons who became Scheme participants during the year ended 31 March 2022

Transfer from other schemes:

14

Other new members:

24

Total

38



**Total number of persons who ceased to be members of the Scheme during the year ended 31 March 2022:**

Reason	Number
Retirement	11
Death	0
Other	
Nil Balance	3
Redundancy	0
Resignation	11
Transfers to other schemes (out)	3
<b>Total</b>	<b>28</b>

**Scheme participants' accumulations:**

	Participants	Accumulation
As at 1 April 2021	457	\$69,406,252
As at 31 March 2022	468	\$69,672,696

**Total contributions received during the year ended 31 March 2022:**

Contribution type	Participants	Contributions
Member	135	\$800,496
Employer or other sponsor	136	\$747,377
Member voluntary additional	60	\$1,750,772
<b>Total</b>		<b>\$3,298,645</b>



# 05

## Changes relating to the Scheme

### **Change to the governing document**

There were no material changes to the Scheme's governing documents.

### **Change to the terms of the offer**

There were no material changes to the Scheme's terms of the offer.

### **Changes to the Statement of Investment Policy and Objectives (SIPO)**

There were no material changes to the SIPO.

### **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 2022 were on an arm's length basis and enacted on normal commercial terms.

# 06

## Other information for particular types of managed funds

The number of Scheme participants who made a withdrawal during the year ending 31 March 2022 were as follows:

Withdrawal type	Number of participants
Serious Illness	0
Death	0
Hardship	1
Redundancy	0
Resignation	13
Retirement	55
Transfer (out)	3
Income for Life	0
Total	72

### Investment performance (crediting rates) for the year ended 31 March 2022

The below table shows the crediting rate or rates applied to Scheme participants balances for the accounting period as at the end of that period. This means the investment returns applied to the particular funds your money is invested into. We also take into account the prescribed investor rate applied to your Superannuation account.

Scheme Investment Statement	Prescribed Investor Rate		
	10.5%	17.5%	28.0%
Conservative	-3.89%	-3.55%	-3.04%
Balanced	2.08%	2.13%	2.20%
Growth	6.53%	6.32%	6.00%

## 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 2022 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 2022.





# 07

## Changes to persons involved in the Scheme

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

### Changes to the Directors of the Manager

#### 1 July 2021

**David Smith** was appointed as a Director.

#### 12 July 2021

**Linda Robertson** was appointed as a Director.

### Changes in Senior Management of the Manager

#### 12 August 2021

**Simon O'Grady** resigned from his position as Chief Investment Officer.

#### 13 August 2021

**Susan Easton** was appointed as Acting Chief Investment Officer.

#### 20 August 2021

**Melissa Vasta** resigned from her position as GM Product and Retail.

#### 13 September 2021

**Morne Redgard** was appointed as Chief Customer Officer.

#### 1 December 2021

**Rhiannon McKinnon** was appointed as Chief Executive Officer.

#### 24 December 2021

**Susan Easton** resigned from her position as Acting Chief Investment Officer and

**Steffan Berridge** was appointed as Acting Chief Investment Officer.

### Changes to the Supervisor or the Supervisor's board members

There have been no changes to the Supervisor of the Scheme or the board members of the Supervisor in the year ended 31 March 2022.

## How to find further information

Further information relating to the Scheme, including financial statements, annual reports, the Scheme's trust deed, and the Statement of Investment Policies and Objectives is available on the scheme register at [www.disclose-register.companiesoffice.govt.nz/](http://www.disclose-register.companiesoffice.govt.nz/) by searching 'Kiwi Wealth Super Scheme'.



The quarterly fund updates, the Product Disclosure Statement, and other material information is available on the offer register at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz) by searching 'Kiwi Wealth Super Scheme'.

A copy of the information on the offer register or scheme register is available on request from the Registrar of Financial Service Providers. The above information is also available free of charge at [www.kiwiwealth.co.nz](http://www.kiwiwealth.co.nz) or by contacting us through one of the ways listed on page 16.

Once your account has been opened, you can view information about your investment by logging on through [www.kiwiwealth.co.nz](http://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](http://www.kiwiwealth.co.nz).





# 09

## Contact details and complaints

We'd love to hear from you, the good, the bad and the ugly! If you'd like to get in touch, please contact us through the following channels:

**Online:**

[www.kiwiwealth.co.nz/contact/](http://www.kiwiwealth.co.nz/contact/)

**Call:** 0800 427 384

during normal business hours



**Email:** [questions@kiwiwealth.co.nz](mailto:questions@kiwiwealth.co.nz)

**Write to:**

FreePost 210729  
Kiwi Wealth Investments Limited  
Partnership  
PO Box 50617  
Porirua 5240

**Attention:**

Kiwi Wealth Super Scheme  
Head of Customer Service

### The Manager

If you have a complaint, you can lodge it with us using the contact details to the left.

We are 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](mailto: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.

## The Supervisor

You can also make a complaint to Public Trust:



**Call:** 0800 371 471 during normal business hours



**Write to:**  
General Manager  
Corporate Trustee Services  
Public Trust  
Private Bag 5902  
Wellington 6140

Public Trust is a member of an approved dispute resolution scheme operated by Financial Services Complaints Limited ('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](mailto:complaints@fscl.org.nz)



**Write to:**  
Financial Services Complaints Limited  
4th Floor, 101 Lambton Quay  
PO Box 5967  
Wellington 6145

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



**Kiwi Wealth Super Scheme**

FreePost 210729 | PO Box 50617 | Porirua 5240 | New Zealand  
Tel: 0800 427 384 | [questions@kiwiwealth.co.nz](mailto:questions@kiwiwealth.co.nz)