

NZ Funds KiwiSaver Scheme

Annual Report for the year ended 31 March 2017



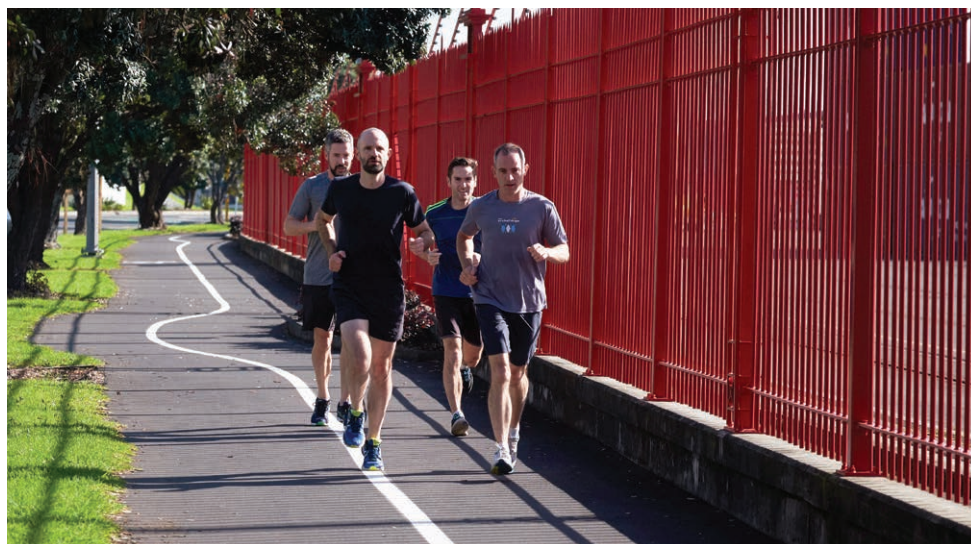
Prepared by New Zealand Funds Management Limited

ANNUAL REPORT	2
DETAILS OF THE SCHEME	2
INFORMATION ON CONTRIBUTIONS AND SCHEME PARTICIPANTS	3
CHANGES RELATING TO THE SCHEME	4
OTHER INFORMATION FOR PARTICULAR TYPES OF MANAGED FUNDS	5
CHANGES TO PERSONS INVOLVED IN THE SCHEME	6
HOW TO FIND FURTHER INFORMATION	6
CONTACT DETAILS AND COMPLAINTS	7

Annual Report

FOR THE YEAR ENDED 31 MARCH 2017

Prepared on 28 July 2017



Details of the Scheme

NAME OF THE SCHEME

NZ Funds KiwiSaver Scheme

TYPE OF SCHEME

KiwiSaver

MANAGER

New Zealand Funds Management Limited (NZ Funds)

SUPERVISOR

The New Zealand Guardian Trust Company Limited

PRODUCT DISCLOSURE STATEMENT (PDS)

The latest PDS open for applications is dated 30 June 2017.

FUND UPDATES

The latest fund updates for each of the three funds (Strategies) in the Scheme for the quarter ended 30 June 2017 were made publicly available on 28 July 2017.

FINANCIAL STATEMENTS AND AUDITOR'S REPORT

The Scheme's latest financial statements for the accounting period 1 April 2016 to 31 March 2017 and auditor's report were lodged with the Registrar on 19 July 2017.

Information on Contributions and Scheme Participants

MEMBERSHIP

The table below provides a summary of the numerical changes in the membership of the Scheme during the year ended 31 March 2017.

	NUMBER OF MEMBERS	MEMBERS' ACCUMULATION
Contributing members as at 1 April 2016	4,934	
Non-contributing members as at 1 April 2016	1,923	
Total number of members as at 1 April 2016	6,857	£130,348,967
<i>New Scheme members during the year by reason of:</i>		
Transfers from other schemes	530	
Other new members	302	
Total new members during the year	832	
<i>Scheme members who ceased to be members during the year by reason of:</i>		
Retirement	87	
Death	6	
Transfers to other schemes	260	
Other reasons	10	
Total number who ceased to be members during the year	363	
Total number of members as at 31 March 2017	7,326	£165,592,157
Contributing members as at 31 March 2017	5,280	
Non-contributing members as at 31 March 2017	2,046	

CONTRIBUTIONS

The table below provides a summary of the contributions received during the year ended 31 March 2017 by reason of:

	NUMBER OF MEMBERS	TOTAL AMOUNT
Member contributions	4,602	£10,777,124
Employer or other sponsor contributions	4,505	£6,495,202
Member voluntary additional contributions	2,035	£2,526,147

Changes relating to the Scheme

This section provides information on material changes which occurred to the Scheme during the year ended 31 March 2017.

GOVERNING DOCUMENT

The Scheme's Trust Deed was amended on 12 October 2016 to comply with the requirements of the Financial Markets Conduct Act 2013 (FMC Act) and to make other minor amendments in connection with the Scheme becoming registered under the FMC Act.

THE TERMS OF THE OFFER OF INTERESTS IN THE SCHEME

The Scheme transitioned to the FMC Act and was registered as a managed investment scheme under the FMC Act on 1 November 2016. As a result of the transition to the FMC Act, the terms of offer of interests in the Scheme are now governed by the FMC Act and the Scheme's former investment statement and prospectus have been replaced with a single product disclosure statement issued in accordance with the FMC Act.

STATEMENT OF INVESTMENT POLICY AND OBJECTIVES (SIPO)

The SIPO was updated as of 1 November 2016 as a result of the Scheme registering under the FMC Act. On 22 December 2016, the SIPO was updated to reflect changes in the market indices for each fund in the Scheme.

RELATED PARTY TRANSACTIONS

There were no material changes to the nature or scale of the related party transactions for the Scheme. All related party transactions during the year were conducted on arm's-length terms.

Other information for particular types of managed funds

WITHDRAWALS

During the year ended 31 March 2017, the following withdrawals were made from the Scheme:

	NUMBER OF MEMBERS
Retirement withdrawal	140
First home withdrawal	77
Death	6
Significant financial hardship	15
Serious illness	6
Permanent emigration	3
Transfers to other KiwiSaver schemes	259
Transfers to Australian complying superannuation funds	1
Meeting tax liability on foreign superannuation	-
Release under other enactments	1
Late opt out and invalid enrolment withdrawal	1

UNIT PRICES

	AS AT 1 APRIL 2016 (\$)	AS AT 31 MARCH 2017 (\$)
Income Strategy	1.25	1.30
Inflation Strategy	1.30	1.36
Growth Strategy	1.47	1.64

MANAGER'S STATEMENT

New Zealand Funds Management Limited, as Manager of the NZ Funds KiwiSaver Scheme (Scheme), confirms that for the year ended 31 March 2017:

- :: all the benefits required to be paid from the Scheme in accordance with the terms of the governing document and KiwiSaver scheme rules have been paid; and
- :: the market value of the Scheme property at 31 March 2017 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 2017.

Changes to persons involved in the Scheme

There were no changes to the Manager, the directors and key personnel of the Manager, the Supervisor, or the auditor of the Scheme during the year ended 31 March 2017.

DIRECTORS OF THE SUPERVISOR

Andrew Howard Barnes resigned as a director of the Supervisor on 4 April 2016.

Timothy James Shaw resigned as a director of the Supervisor on 3 August 2016.

ADMINISTRATION MANAGER AND SECURITIES REGISTRAR

Link Market Services Limited was appointed as administration manager and securities registrar of the Scheme, in place of Aon New Zealand, on 1 November 2016.

How to find further information

The Scheme's Trust Deed, SIPO and financial statements are available on the scheme register on the Disclose website at www.business.govt.nz/disclose.

The PDS, quarterly fund updates, and other material information for the Scheme is available on the offer register on the Disclose website at www.business.govt.nz/disclose.

Information relating to the Scheme and the funds (such as the current PDS, quarterly fund updates, annual report and SIPO) is also available on our website at www.nzfunds.co.nz.

You may request a copy of the above information from us, free of charge, at the contact details on page 7.

Contact details and complaints

MANAGER

New Zealand Funds Management Limited
Level 16, Zurich House
21 Queen Street
Private Bag 92163
Auckland 1142
Attention: Head of Client Services
T. 09 377 2277 or 0508 733 337
E. info@nzfunds.co.nz

SUPERVISOR

Attention: NZ Funds Relationship Manager
The New Zealand Guardian Trust Company Limited
Level 14, 191 Queen Street
PO Box 274
Auckland 1140
T. 09 909 5100
E. ct-auckland@nzgt.co.nz

ADMINISTRATION MANAGER AND SECURITIES REGISTRAR

Link Market Services
Level 11, Deloitte Centre
80 Queen Street
PO Box 92050
Auckland 1142
T. 0800 693 5494
E. NZFKiwi@linkmarketservices.com

COMPLAINTS

In the first instance, please contact the Manager using the contact details above. Complaints about an investment can also be made direct to the Supervisor or to Financial Services Complaints Limited (FSCL), the Manager's and the Supervisor's approved dispute resolution scheme.

DISPUTE RESOLUTION SCHEME

Attention: Early Assistance Officer
Financial Services Complaints Limited
PO Box 5967
Wellington 6145
T. 04 472 3725 or 0800 347 257
E. complaints@fscl.org.nz
W. www.fscl.org.nz

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

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NZFUNDS

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