

NZFUNDS

NZ Funds

KiwiSaver Scheme



Annual Report for the year ended 31 March 2020

30 JULY 2020

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ANNUAL REPORT

Prepared as at 30 July 2020 for the year ended 31 March 2020

DETAILS OF THE SCHEME

NAME

NZ Funds KiwiSaver Scheme

TYPE

KiwiSaver

MANAGER

New Zealand Funds Management Limited (NZ Funds)

SUPERVISOR

The New Zealand Guardian Trust Company Limited

PRODUCT DISCLOSURE STATEMENT

The latest Product Disclosure Statement (PDS) dated 11 November 2019 is open for applications.

QUARTERLY FUND UPDATES

The latest fund updates for each of the three funds (Strategies) in the Scheme for the quarter ended 30 June 2020 were made publicly available on 28 July 2020.

FINANCIAL STATEMENTS & AUDITOR'S REPORT

The Scheme's latest financial statements for the accounting period 1 April 2019 to 31 March 2020 and auditor's report were lodged with the Registrar on 20 July 2020.

INFORMATION ON CONTRIBUTIONS & 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 2020.

	NUMBER OF MEMBERS	MEMBERS' ACCUMULATION
Contributing members as at 1 April 2019	5,957	
Non-contributing members as at 1 April 2019	2,130	
Total number of members as at 1 April 2019	8,087	\$241,561,162
NEW SCHEME MEMBERS DURING THE YEAR BY REASON OF:		
Transfers from other schemes	1,600	
Other new members	370	
Total new members during the year	1,970	
SCHEME MEMBERS WHO CEASED TO BE MEMBERS DURING THE YEAR BY REASON OF:		
Retirement	82	
Death	14	
Transfers to other schemes	344	
Other reasons	11	
Total number who ceased to be members during the year	451	
Total number of members as at 31 March 2020	9,606	\$273,627,706
Contributing members as at 31 March 2020	7,094	
Non-contributing members as at 31 March 2020	2,512	

CONTRIBUTIONS

The table below shows the total amount of each type of contribution received by the Scheme during the year ended 31 March 2020 and the number of members credited with each type of contribution.

CONTRIBUTIONS TYPE	NUMBER OF MEMBERS	TOTAL AMOUNT
Member contributions	8,125	\$18,443,963
Employer contributions	6,157	\$ 8,733,598
Government contributions (member tax credits)	6,293	\$ 3,007,391
Transfers from other KiwiSaver and registered superannuation schemes	1,511	\$ 33,091,927
Transfers from Australian superannuation schemes	48	\$ 2,085,254
Member voluntary additional contributions	828	\$ 3,811,899

CHANGES RELATING TO THE SCHEME

This section provides information on material changes which occurred to the Scheme during the year ended 31 March 2020.

GOVERNING DOCUMENT

There were no amendments to the Scheme's trust deed during the year.

THE TERMS OF THE OFFER OF INTERESTS IN THE SCHEME

The following KiwiSaver legislative changes were made during the year:

- From 1 April 2019, additional employee contribution rates of 6% and 10% were introduced, the 'contribution holiday' was renamed 'savings suspension', and the maximum time a person can be on a savings suspension was reduced to 12 months.
- From 1 July 2019, persons over 65 years of age are allowed to join KiwiSaver, and for those persons who joined before 1 July 2019 and who are subject to the 5 year lock-in period, from 1 April 2020 those members can elect to opt out of the 5 year lock-in period. If a member opts out, they lose any entitlement to Government contributions and employer contributions.

On 1 April 2019, changes to the fees payable by the Strategies were implemented including the introduction of a performance-based fee in the Private Dividend Yield Trust, a related underlying fund that the Inflation and Growth Strategies invest in.

STATEMENT OF INVESTMENT POLICY AND OBJECTIVES (SIPO)

On 11 November 2019, the SIPO was updated to include target asset allocations for the Strategies and to reflect additional exclusions under NZ Funds' Responsible Investment Policy.

RELATED PARTY TRANSACTIONS

The nature of the related party transactions for the Scheme changed during the year due to the introduction of a performance-based fee in the Private Dividend Yield Trust, a related underlying fund, which is considered a related party transaction. For more information on performance-based fees, see the Product Disclosure Statement.

All related party transactions during the year ended 31 March 2020 were conducted on arm's-length terms.

OTHER INFORMATION FOR PARTICULAR TYPES OF MANAGED FUNDS

WITHDRAWALS

During the year ended 31 March 2020, the following withdrawals were made from the Scheme:

	NUMBER OF MEMBERS
Retirement withdrawal	174
First home withdrawal	94
Death	14
Significant financial hardship	30
Serious illness	4
Permanent emigration	5
Transfers to other KiwiSaver schemes	344
Transfers to Australian complying superannuation funds	-
Meeting tax liability on foreign superannuation	-
Release under other enactments	2
Late opt-out and invalid enrolment withdrawals	2

UNIT PRICES

	(\$) AS AT 1 APRIL 2019	(\$) AS AT 31 MARCH 2020
Income Strategy	1.39	1.37
Inflation Strategy	1.48	1.41
Growth Strategy	1.81	1.66

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 2020:

- 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 2020 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 2020.

CHANGES TO PERSONS INVOLVED IN THE SCHEME

There were no changes to the Manager, the Supervisor, or the auditor of the Scheme during the year ended 31 March 2020.

The following changes occurred to key personnel of the Manager during the year:

On 28 June 2019, David van Schaardenburg ceased to be Head of NZ Funds Private Wealth and was removed as key personnel under the Manager's MIS manager licence.

- On 13 November 2019, Stephan Clark (formerly NZ Funds' Head of Risk) was appointed as Chief Client Officer of the Manager.
- On 18 November 2019, Geoff Motion was appointed Chief Operating Officer – Clients and added as key personnel under the Manager's MIS manager licence.
- On 3 February 2020, Rebecca Cottrell was appointed Chief Advisory Officer of the Manager and added as key personnel under the Manager's MIS manager licence. Rebecca was subsequently appointed as Chief Operating Officer of the Manager on 17 April 2020, replacing Phil Doak who ceased as Chief Operating Officer on 7 February 2020.

There were no changes to the directors of the Manager or the Supervisor during the year.

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 disclose-register.companiesoffice.govt.nz.

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

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 opposite.

CONTACT DETAILS & COMPLAINTS

Manager

Attention: Head of Client Services
New Zealand Funds Management Limited
Level 16, 21 Queen Street
Private Bag 92163
Auckland 1142

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

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. The Manager and the Supervisor are both members of an approved dispute resolution scheme run by Financial Services Complaints Limited (FSCL). If your complaint has not been resolved to your satisfaction, you can contact FSCL.

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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