



**Kiwi
Wealth.**

**Kiwi Wealth
Super Scheme.**

Kiwi Wealth Super Scheme Annual Report

For the Year Ended 31 March 2018

A year in review

Welcome to the year that was

Welcome to the annual report of the Kiwi Wealth Super Scheme (the scheme). It's been a busy year, but a successful one. Here's the year in review. See pages 3-11 for the full report.

Ticking along nicely

The global economy was in good spirits, with all the major economies gaining momentum and inflation remaining subdued. Of the major economies, the United States was the leader of the pack helped along by the prospect of over \$US1 trillion in tax cuts.

There was a serious scare in February when it looked like US wages were about to take off, thus potentially stoking wider inflation. This concern proved to be unfounded, however, as broader inflation subsequently remained moderate. In March, the threat of tit-for-tat tariffs sparked by US President Donald Trump's trade crusade was not enough to immediately dent economies, but raised fears of damage down the track.

A buoyant year for global share markets

Global share markets generally rose during the year. The main drivers of share gains were decent momentum in company earnings and generally positive outlooks for world economies. There were a few ups and downs along the way. A scorching run in the later part of 2017 abruptly reversed in February as investors worried about inflation. Markets recovered somewhat, but remained skittish in the face of Trump's protectionist trade talk.

The MSCI All Countries World Index (ACWI), a broad global share market indicator, rose 15.4% in US dollar terms in the year to end of March 2018. Amongst major share markets, the US was a star performer as company prospects there were boosted by tax cuts. A good dollop of high-flying technology companies also helped the US market along.

A year in review cont.

Interest rates on the up

Interest rates trended up in most parts of the world due to a combination of improving economic growth and slowly accelerating inflation. Helping interest rates higher, central banks began reversing extraordinary stimulus put in place after the global financial crisis. The US Federal Reserve was further down the track than most, raising interest rates three times in the year. The European Central Bank maintained very low interest rates, but indicated it will soon stop printing money.

It was a different story in New Zealand, with interest rates falling. This was mainly because of subdued domestic inflation and the Reserve Bank of New Zealand indicating it was likely to hold the Official Cash Rate (OCR) at 1.75% for as far as the eye could see.

Rising interest rates were a headwind for fixed interest investments overseas, the value of which generally declined as interest rates went up. However, local interest rate moves were favourable for New Zealand fixed interest investments.

The New Zealand dollar has a roller coaster ride

The Kiwi dollar had a somewhat topsy-turvy year, weakening initially before gaining again towards the end of the year. It was up 3.4% against the US dollar in that period, although it was down against the euro and the yen. A generally weaker US dollar was a key driver of the rise in the New Zealand dollar against that currency, while expectations of tighter monetary policy in Europe was the main reason the New Zealand dollar fell against the euro.

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

Product Disclosure Statement (PDS): 23 March 2018

Status of the PDS: Open for applications

The latest fund updates for each fund within the Scheme are dated: 27 July 2018

The Scheme's latest audited financial statements (including the auditor's report) for the year ended 31 March 2018 were lodged with the Registrar on 23 July 2018.

Information on contributions and scheme participants

Total number of scheme participants

As at 1 April 2017: 465 As at 31 March 2018: 463

Total number of contributing scheme participants

As at 1 April 2017: 219 As at 31 March 2018: 185

Total number of non-contributing scheme participants

As at 1 April 2017: 246 As at 31 March 2018: 278

Total number of persons who became scheme participants during the year ending 31 March 2018

Transfers from other schemes : 21

Other new members: 3

Total: 24

Total number of persons who ceased to be members of the scheme during the year ended 31 March 2018

Reason:	Number
Retirement	7
Death	0
Other	15
Nil Balance	0
Redundancy	0
Resignation	15
Transfers to other schemes (out)	4
Total	26

Scheme participants' accumulations:

	Participants	Accumulations
As at 1 April 2017	465	\$61,962,000
As at 31 March 2018	463	\$65,133,000

Total contributions received during the year ending 31 March 2018:

Contribution type	Participants	Contributions
Member	163	\$903,346.39
Employer or other sponsor	168	\$930,282.53
Member voluntary additional	36	\$565,010.00
Total		\$2,398,638.92

Changes relating to the scheme

Changes to the governing document

The scheme's trust deed was amended on 7 September 2017 to reflect the change of the scheme's name from the GMI Superannuation Scheme to the Kiwi Wealth Super Scheme, as well as the change of the manager's name from Gareth Morgan Investments Limited Partnership to Kiwi Wealth Investments Limited Partnership.

The scheme's trust deed was also amended on 8 December 2017 to reflect changes to the requirements applying to Qualifying Recognised Overseas Pension Schemes (QROPS) under the laws of the United Kingdom and to enable the scheme to re-gain QROPS status.

Changes to the terms of the offer

On 7 September 2017 the name of the scheme changed from GMI Superannuation Scheme to the Kiwi Wealth Super Scheme.

On 23 March 2018 the product disclosure statement for the scheme was updated to reflect the scheme regaining QROPS status, and to set out the terms applying to transfers from UK registered pensions schemes into the scheme.

Changes to other documents

The statement of investment policy and objectives (SIPO) was updated to reflect the name change of the scheme and manager.

We also updated the SIPO to reflect our strengthened Responsible Investment Policy to remove indirect holdings in tobacco, controversial weapons and whaling companies, and to preclude investing in companies involved in objectionable behaviour no matter what industry they are in.

Related party transactions

There were no material changes to the nature or scale of related party transactions for the scheme. All related party transactions entered into during the year to 31 March 2018 were on an arm's length basis and enacted on normal commercial terms.

Other information for particular types of managed funds

The number of scheme participants who made a withdrawal during the year ending 31 March 2018 were as follows:

Withdrawal Type	Number of participants
Serious Illness	0
Death	0
Hardship	1
Redundancy	0
Resignation	17
Retirement	38
Transfer (out)	4
Income for Life	7
Total	67

Investment performance (crediting rates) for the year ended 31 March 2018

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 Fund	Prescribed Investor Rates		
	10.5%	17.5%	28%
Conservative	4.06%	3.82%	3.46%
Balanced	7.56%	7.30%	6.90%
Growth	10.86%	10.58%	10.16%

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.

Ireen Muir
Head of Client Services
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 2018 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 the 31 March 2018.

Changes to persons involved in the scheme

Change to the name of the Manager

On 7 September 2017, the manager changed its name to Kiwi Wealth Investments Limited Partnership. There was otherwise no change to the manager. On the same date, the scheme changed its name to the Kiwi Wealth Super Scheme.

Changes to the directors of the Manager

On 29 September 2017

- Paul Brock resigned as a Board Member

Changes to the Supervisor's board of directors:

On 22 May 2017

- Ian Fitzgerald was appointed as a Board Member

On 30 June 2017

- Huei Min (Lyn) Lim's term as a Board Member ended

On 31 August 2017

- Sarah Roberts completed her term as Chair and a Board Member

On 1 September 2017

- Ian Fitzgerald was appointed Chair of the Board

How to find further information

Further information relating to the scheme, including financial statements, annual reports, the scheme's trust deed, and SIPO is available on the scheme register at www.disclose-register.companiesoffice.govt.nz.

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

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/scheme-fund-documents or on request by contacting us through one of the ways listed on page 13. You can view your monthly online reports and other information about your investment on our website www.kiwiwealth.co.nz.

You will also be sent an Annual PIE Tax Statement which 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 confirm your IRD number and PIR. You can obtain general information about us and the scheme at www.kiwiwealth.co.nz.

Contact details and complaints

Contact Us

We'd love to hear from you, if you'd like to talk to us about the Kiwi Wealth Super Scheme you can contact us or the Kiwi Wealth Super Scheme Customer Services Manager:

Online: www.kiwiwealth.co.nz

Call: 0800 427 384 during normal business hours

Email: questions@kiwiwealth.co.nz

Write to:

FreePost 210729

Kiwi Wealth Investments Limited Partnership

PO Box 50617

Porirua 5240

Attention: Kiwi Wealth Super Scheme Customer Services Manager

How to complain

You can lodge a complaint with us or the Kiwi Wealth Super Scheme Member Complaints Officer:

Online: www.kiwiwealth.co.nz/complaints

Call: 0800 427 384 during normal business hours

Email: questions@kiwiwealth.co.nz

Write to: FreePost 210729

Kiwi Wealth Investments Limited Partnership

PO Box 50617

Porirua 5240

Attention: Kiwi Wealth Super Scheme Member Complaints Officer

We are a member of the Insurance & Financial Services Ombudsman

Contact details and complaints cont.

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.

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
PO Box 5067
Wellington 6145

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

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.

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