

ONEANSWER KIWISAVER SCHEME

ANNUAL REPORT
FOR THE YEAR ENDED
31 MARCH 2019

MANAGER:
ANZ NEW ZEALAND
INVESTMENTS LIMITED

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WELCOME

I'm pleased to present the annual report for the OneAnswer KiwiSaver Scheme (the scheme).

It was another positive year for investors. This was despite considerable volatility at the end of 2018, when share markets fell sharply on concerns about trade and rising interest rates. However, a remarkable recovery saw a very strong start to 2019 and impressive annual returns for investors for the year ended 31 March 2019.

Responsible investment

I'm proud to report that, since becoming a signatory to the United Nations-supported Principles for Responsible Investment in 2018, we have completed the required reporting, which outlines our philosophy to responsible investing.

In addition, we have:

- excluded from our portfolios manufacturers of firearms, ammunition and parts for the civilian market that are illegal in New Zealand under the amendment to the New Zealand Arms Act 1983, and
- formed part of the international, New Zealand-led, investor engagement with Facebook, Google (Alphabet) and Twitter. Investors have come together with the objective of strengthening the controls of social media companies to prevent the live streaming and distribution of objectionable content.

More flexibility and clarity

Government changes recently made to KiwiSaver include more flexibility for

contributions. As well as the existing 3%, 4% or 8% options, you can now contribute 6% or 10% of your before-tax pay (through your employer).

Anyone aged 65 or over is also now able to join KiwiSaver. A summary of all the changes is available at anz.co.nz/OA-kslawchange.

Your scheme provider

I'm also pleased to highlight the following:

- From 1 April 2019, we've reduced the membership fee to \$1.50 a month (from \$2) – and we've removed this fee completely for under-18s.
- The scheme was awarded a Platinum rating for the fifth year running by independent research company SuperRatings*. Platinum is the highest rating available.
- Our multi-asset-class funds have a Morningstar Analyst Rating™ of 'Bronze', assigned on 11 April 2019*.

Thank you for investing with us. We want you to feel confident your savings are working every bit as hard as you do – now and in the future.



Mark Davies

General Manager Funds

On behalf of the manager,
ANZ New Zealand Investments Limited

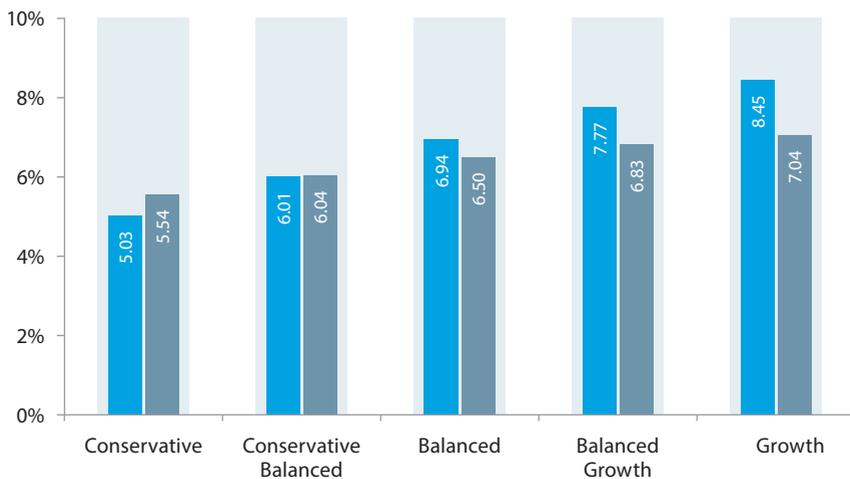
* See inside back cover for ratings disclaimers and see anz.co.nz/OA-investmentsawards for full awards and ratings history.

ANNUAL INVESTMENT PERFORMANCE

In these charts:

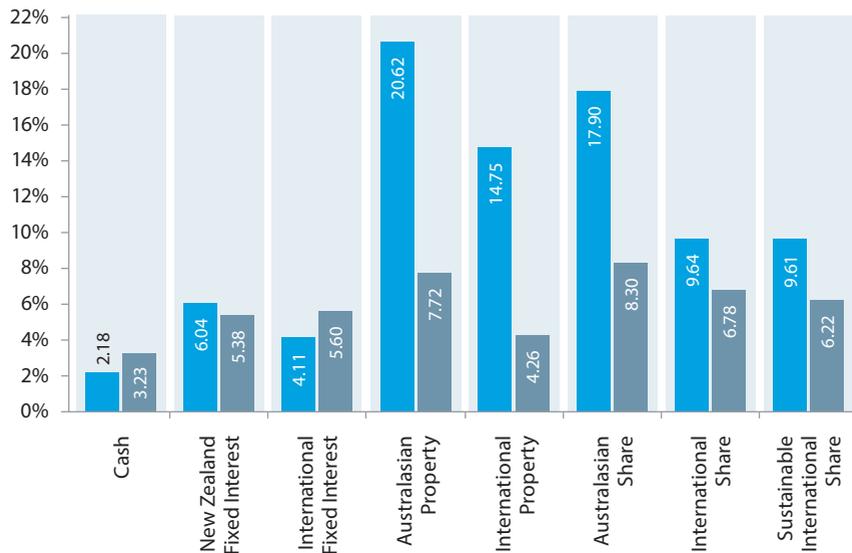
- the first bar in each pair shows the percentage return for the year to 31 March 2019
- the second bar in each pair shows the average yearly percentage return earned by the fund since launch.

OneAnswer KiwiSaver Scheme – Multi-Asset-Class Funds*



● For the year ended 31 March 2019 ● Annualised investment performance since launch

OneAnswer KiwiSaver Scheme – Single-Asset-Class Funds*



For the year ended 31 March 2019

Annualised investment performance since launch

INVESTMENT PERFORMANCE SINCE LAUNCH

In these charts, each line represents the growth of \$1,000 invested in the fund at launch. For example, an investment of \$1,000 in the Balanced Fund on 1 October 2007 (with no further contributions made) would have grown to \$2,064 by 31 March 2019.

The charts also show how the funds with a larger allocation to growth assets generally have larger movements up and down in value.

The calculation shows actual historical returns. Values have been rounded down to the nearest dollar.

OneAnswer KiwiSaver Scheme – Multi-Asset-Class Funds*



- Growth Fund – \$2,188
- Balanced Growth Fund – \$2,140
- Balanced Fund – \$2,064
- Conservative Balanced Fund – \$1,963
- Conservative Fund – \$1,859
- Cash Fund – \$1,441

OneAnswer KiwiSaver Scheme – Single-Asset-Class Funds*



*All performance is after the annual fund charge and before tax. This is represented by changes in the unit price plus any applicable tax credits. Past performance is not indicative of future performance. Performance can be negative as well as positive. The launch date for all funds, except the Sustainable International Share Fund, was 1 October 2007. The Sustainable International Share Fund launched on 25 August 2008.

DETAILS OF SCHEME

NAME OF THE SCHEME

OneAnswer KiwiSaver Scheme
(the **scheme**)

TYPE OF SCHEME

KiwiSaver scheme

MANAGER

ANZ New Zealand Investments Limited
(the **manager**)

SUPERVISOR

The New Zealand Guardian Trust
Company Limited (the **supervisor**)

PRODUCT DISCLOSURE STATEMENT

The scheme's latest product disclosure statement is dated 28 June 2019 and has an 'open for applications' status.

FUND UPDATES

The scheme's latest fund updates for the quarter ended 30 June 2019 were made publicly available on 26 July 2019. These are available on the offer register at disclose-register.companiesoffice.govt.nz and at anz.co.nz/OA-fundupdates.

FINANCIAL STATEMENTS AND AUDITOR'S REPORT

The scheme's latest financial statements for the year ended 31 March 2019, and the auditor's report on those financial statements, were dated 30 July 2019 and were lodged with the Registrar on 31 July 2019. See page 14 for more details.

INFORMATION ON CONTRIBUTIONS AND SCHEME PARTICIPANTS

The information in this document relates to the year from 1 April 2018 to 31 March 2019 (the year).

MEMBERSHIP

The table below provides a summary of the numerical changes in the membership of the scheme during the year.

Membership movements	Number of members	Total amount (\$000)
Members at the start of the year		
– Contributing members	41,308	
– Non-contributing members	25,712	
Total scheme members at 1 April 2018	67,020	
Total members' savings at 1 April 2018		2,040,909
Plus new members		
– Transfers from other schemes	848	
– Other new members	1,912	
Total new members during the year	2,760	
Less exited members		
– Retirement	916	
– Death	97	
– Transfers to other schemes	3,457	
– Other reasons	133	
Total members exited during the year	4,603	
Scheme members at 31 March 2019		
– Contributing members	39,615	
– Non-contributing members	25,562	
Total scheme members at 31 March 2019	65,177	
Total members' savings at 31 March 2019		2,252,827

INFORMATION ON CONTRIBUTIONS AND SCHEME PARTICIPANTS (CONTINUED)

CONTRIBUTIONS

The table below provides a summary of the contributions received during the year by way of:

Contribution type	Number of members	Total amount (\$000)
Member employee contributions	42,578	103,101
Employer contributions	42,297	58,805
Government contributions	45,911	20,141
Transfers from other KiwiSaver schemes	835	28,010
Transfers from Australian superannuation schemes	119	5,681
Member voluntary contributions	13,225	33,285
Total contributions		249,023

CHANGES RELATING TO THE SCHEME

This section describes any material changes to the scheme's nature, investment objectives and strategy, and management during the year.

CHANGES TO THE STATEMENT OF INVESTMENT POLICY AND OBJECTIVES (SIPO)

The SIPO was updated on 9 April 2018 to reflect a change in the external fund manager for international property assets from CBRE Clarion Securities LLC to Resolution Capital Limited.

The SIPO was then updated on 10 August 2018 to reflect:

- a change in the external fund manager for Australian equities from Arnhem Investment Management Pty Limited to Nikko AM Limited
- a change in how we invest into our underlying funds. Previously the funds invested directly into our underlying single-asset-class funds, which each focus on investing in a single asset class. Now the funds invest into underlying wholesale multi-asset-class funds, which gain exposure to asset classes by investing in our underlying single-asset-class funds, and
- non-material changes to some investment objectives, target investment mix and risk metrics.

CHANGES TO THE NATURE OR SCALE OF THE RELATED PARTY TRANSACTIONS

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

OTHER INFORMATION FOR PARTICULAR TYPES OF MANAGED FUNDS

WITHDRAWALS

The table below sets out the withdrawals made from the scheme during the year.

Withdrawal reason	Number of members	Total amount (\$000)
First home withdrawals ¹	588	16,404
Mortgage diversion withdrawals	0	0
End payment withdrawals	1,775	56,639
Significant financial hardship	187	1,367
Serious illness	46	1,088
Death	97	3,105
Permanent emigration	43	1,116
Transfers to other KiwiSaver schemes	3,452	87,957
Transfers to Australian superannuation schemes	5	44
Release required under other enactments	51	485
Total withdrawals		168,205

¹ includes second chance home withdrawals

UNIT PRICES

Investment fund	Unit price (\$) at 31 March 2018	Unit price (\$) at 31 March 2019
Growth Fund	1.9133	2.0685
Balanced Growth Fund	1.8850	2.0262
Balanced Fund	1.8317	1.9549
Conservative Balanced Fund	1.7599	1.8630
Conservative Fund	1.6824	1.7655
Cash Fund	1.3789	1.4089
New Zealand Fixed Interest Fund	1.6954	1.7978
International Fixed Interest Fund	1.6864	1.7555
Australasian Property Fund	1.8123	2.1665
International Property Fund	1.3352	1.5260
Australasian Share Fund	1.8730	2.1875
International Share Fund	1.8759	2.0512
Sustainable International Share Fund	1.7303	1.8965

MANAGER'S STATEMENT

ANZ New Zealand Investments Limited, as manager of the scheme, confirms that:

- all benefits required to be paid from the scheme in accordance with the terms of the governing document and the KiwiSaver scheme rules have been paid, and
- the market value of the scheme property at 31 March 2019 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 2019.

CHANGES TO PERSONS INVOLVED IN THE SCHEME

MANAGER

ANZ New Zealand Investments Limited was the issuer and manager of the scheme throughout the year.

Directors of the manager

The directors of the manager as at 31 March 2019 were:

- Ronald Bruce Macintyre (Chairman)
- Paul Robert Daley
- Craig Andrew Mulholland
- Annis Gail O'Brien
- Antonia Margaret Watson

The following changes to the directors of the manager of the scheme have taken place since 1 April 2018:

- Paul Robert Daley was appointed on 21 May 2018

Key personnel of the manager

The following changes have taken place since 1 April 2018:

- Graham Ansell resigned as Chief Investment Officer on 6 April 2018
- Paul Huxford was appointed as Chief Investment Officer on 11 July 2018
- Debbie Eyre resigned as General Manager Wealth Operations on 1 December 2018

- Keren Roberts was appointed as General Manager Wealth Operations on 1 December 2018
- Ana-Marie Lockyer resigned as General Manager Wealth Products on 21 December 2018
- Mark Davies was appointed as General Manager Funds on 21 December 2018.

SUPERVISOR

The New Zealand Guardian Trust Company Limited was the supervisor of the scheme throughout the year.

Directors of the supervisor

There have been no changes to the directors of the supervisor since 1 April 2018.

AUDITOR

KPMG was the auditor of the scheme throughout the year.

HOW TO FIND FURTHER INFORMATION

ON DISCLOSE

Disclose is a website that contains two registers – an offer register and a scheme register.

To find the product disclosure statement and the fund updates, go to:

 **disclose-register.companiesoffice.govt.nz**

- Click Search Offers and search for 'OneAnswer KiwiSaver Scheme'

To find the SIPO, governing document and financial statements, go to:

 **disclose-register.companiesoffice.govt.nz**

- Click Search Schemes and search for 'OneAnswer KiwiSaver Scheme'

ON OUR WEBSITE

Other valuable information and resources to help you manage your investment, including transaction forms, fund performance, unit prices, a quarterly market review and fund reports are available on the ANZ Investments website.

 **anz.co.nz/OA-kiwisaver**

You can also obtain a copy of any of the above information on request and free of charge by contacting us (contact details are on the next page).

CONTACT DETAILS AND COMPLAINTS

MANAGER

ANZ New Zealand Investments Limited

Freepost 324
PO Box 7149, Wellesley Street
Auckland 1141

Attn: KiwiSaver and Investments team

 0800 736 034 or +64 9 356 4000

 service@anzinvestments.co.nz

SUPERVISOR

The New Zealand Guardian Trust Company Limited

Relationship Manager – OneAnswer
KiwiSaver Scheme
PO Box 274, Shortland Street
Auckland 1140

 +64 9 909 5100

 ct-auckland@nzgt.co.nz

IF YOU HAVE A COMPLAINT

If you have any problems with the scheme, please contact your financial adviser first.

If you don't have a financial adviser, or your financial adviser has been unable to help you, please let us know using the contact details above. As the manager of the scheme, we're committed to resolving your complaint as quickly as possible.

If we're unable to help you, you can contact the supervisor at the contact details above.

If you're still not happy, you can get free independent assistance from the following dispute resolution schemes:

The manager's dispute resolution scheme

The Banking Ombudsman

Level 5, Huddart Parker Building
1 Post Office Square
Wellington 6011
Freepost 218002
PO Box 25327, Featherston Street
Wellington 6146

 0800 805 950

 help@bankomb.org.nz

The supervisor's dispute resolution scheme

Financial Services Complaints Limited

Level 4, 101 Lambton Quay
Wellington 6011
PO Box 5967
Wellington 6140

 0800 347 257

 info@fscl.org.nz

You won't be charged a fee for investigating or resolving a complaint.

The OneAnswer KiwiSaver Scheme has the SuperRatings' Platinum 2019 rating. SuperRatings does not issue, sell, guarantee or underwrite this product. Go to www.superratings.com.au for details of its ratings criteria.

The Morningstar Analyst Rating™ for OneAnswer KiwiSaver Scheme: Conservative Fund (23228), Conservative Balanced Fund (23229), Balanced Fund (23230), Balanced Growth Fund (23231), and Growth Fund (23232) is 'Bronze' as of 11 April 2019. © 2019 Morningstar, Inc. All rights reserved. Neither Morningstar, its affiliates, nor the content providers guarantee the data or content contained herein to be accurate, complete or timely nor will they have any liability for its use or distribution. Any general advice or 'class service' have been prepared by Morningstar Australasia Pty Ltd (ABN: 95 090 665 544, AFSL: 240892) and/or Morningstar Research Ltd, subsidiaries of Morningstar, Inc, without reference to your objectives, financial situation or needs. Refer to our Financial Services Guide (FSG) for more information at www.morningstar.com.au/s/fsg.pdf. You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statement before making any decision to invest. Our publications, ratings and products should be viewed as an additional investment resource, not as your sole source of information. Past performance does not necessarily indicate a financial product's future performance. To obtain advice tailored to your situation, contact a professional financial adviser.

Investments in the scheme are not deposits in ANZ Bank New Zealand Limited, Australia and New Zealand Banking Group Limited or their subsidiaries (together **ANZ Group**), nor are they liabilities of ANZ Group. ANZ Group does not stand behind or guarantee ANZ New Zealand Investments Limited. Investments are subject to investment risk, including possible delays in repayment, and loss of income and principal invested. ANZ Group will not be liable to you for the capital value or performance of your investment. Your investment in the scheme is not guaranteed by ANZ Group, The New Zealand Guardian Trust Company Limited, any of their directors or any other person.

