

ONEANSWER KIWISAVER SCHEME

ANNUAL REPORT
FOR THE YEAR ENDED
31 MARCH 2018

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).

The 2018 year was another positive one for investment markets. Global share prices rose as a result of growth in the world's major economies and a better environment for company earnings. New Zealand shares stood out, thanks to the strong performances of several local businesses on the international stage.

Over the year, those of our funds invested mainly in growth assets delivered stronger returns – although all funds made positive gains. You can see this performance in the chart over the page.

I'm also pleased to highlight the following achievements:

- The scheme was awarded a 'Platinum' rating for the fourth year in a row by independent research company SuperRatings*. This is the highest possible rating, awarded to only a few providers.
- Our multi-asset-class funds also have a Morningstar Analyst Rating™ of 'Silver', assigned on 16 March 2018*. Silver is currently the highest rating for a multi-asset-class fund in a KiwiSaver scheme.
- We extended our commitment to responsible investing by signing up to the Principles for Responsible Investment – a United Nations-supported framework that helps companies integrate environmental, social and governance factors into their investment processes.

- We provided new easy-to-read account statements with personalised information including the fees you paid, as a dollar amount.
- We've made significant investment into a new registry system for an improved customer experience – now and into the future.

Finally, we've continued to reinforce our stance on the importance of returns *after* fees. Taking into account our long-term investment performance, as well as the support and education we provide, we believe we offer great value for members.

My thanks for choosing to invest with ANZ Investments. It's our goal to put you at the centre of everything we do and to help you achieve your financial goals.



Ana-Marie Lockyer
General Manager Wealth Products

On behalf of the manager, ANZ
New Zealand Investments Limited

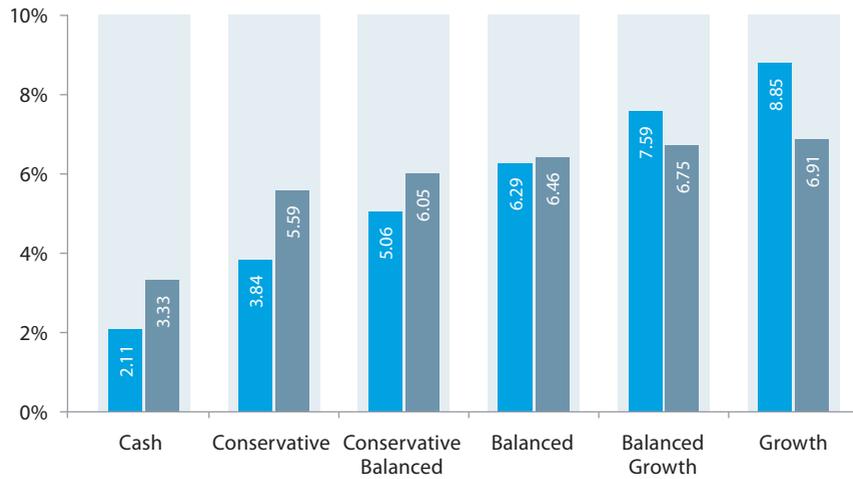
* See inside back cover for ratings disclaimers and see anzinvestments.co.nz/awards for full awards and ratings history.

ANNUAL INVESTMENT PERFORMANCE

In these charts:

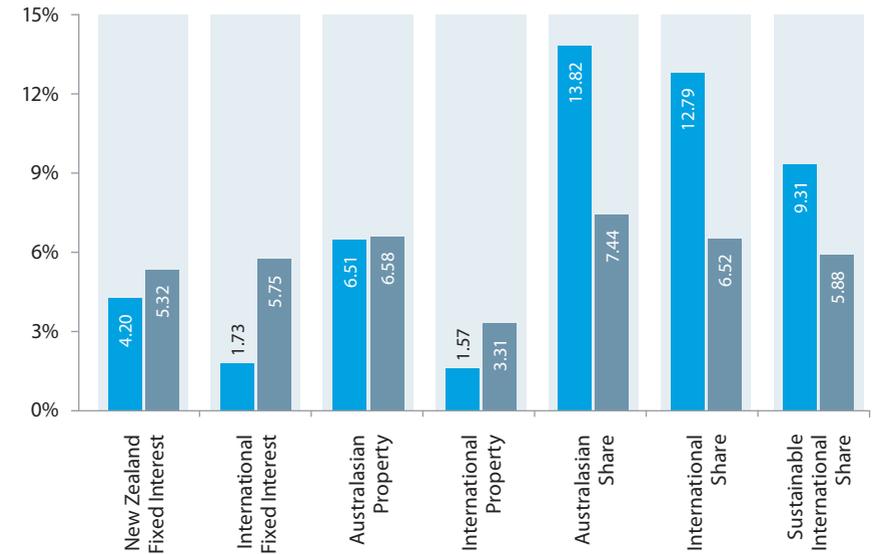
- the first bar in each pair shows the percentage return for the year to 31 March 2018
- the second bar in each pair shows the average yearly percentage return earned by the fund since launch.

OneAnswer KiwiSaver Scheme – Multi-Asset-Class Funds*



For the year ended 31 March 2018
 Annualised investment performance since launch

OneAnswer KiwiSaver Scheme – Single-Asset-Class Funds*



For the year ended 31 March 2018
 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 \$1,930 by 31 March 2018.

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

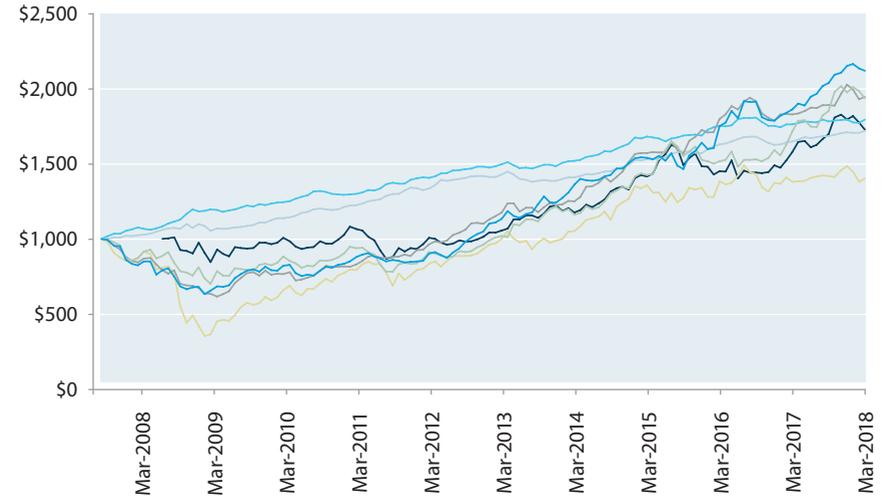
The calculation shows actual historical returns. Values have been rounded down to the nearest dollar.

OneAnswer KiwiSaver Scheme – Multi-Asset-Class Funds*



- Growth Fund – \$2,017
- Balanced Growth Fund – \$1,986
- Balanced Fund – \$1,930
- Conservative Balanced Fund – \$1,852
- Conservative Fund – \$1,770
- Cash Fund – \$1,410

OneAnswer KiwiSaver Scheme – Single-Asset-Class Funds*



- Sustainable International Share – \$1,730
- International Fixed Interest – \$1,799
- New Zealand Fixed Interest – \$1,724
- International Property – \$1,408
- Australasian Property – \$1,951
- International Share – \$1,940
- Australasian Share – \$2,123

*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 24 November 2017
and has an 'open for applications' status.

FUND UPDATES

The scheme's latest fund updates for the
quarter ended 30 June 2018 were made
publicly available on 26 July 2018. These
are available on the offer register at
disclose-register.companiesoffice.govt.nz
and at anzinvestments.co.nz/fundupdates.

FINANCIAL STATEMENTS AND AUDITOR'S REPORT

The scheme's latest financial statements
for the year ended 31 March 2018, and
the auditor's report on those financial
statements, were dated 23 July 2018
and were lodged with the Registrar
on 26 July 2018. See page 14 for
more details.

INFORMATION ON CONTRIBUTIONS AND SCHEME PARTICIPANTS

The information in this document relates to the year from 1 April 2017 to 31 March 2018
(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	42,559	
– Non-contributing members	26,180	
Total scheme members at 1 April 2017	68,739	
Total members' savings at 1 April 2017		\$1,839,301
Plus new members		
– Transfers from other schemes	895	
– Other new members	2,225	
Total new members during the year	3,120	
Less exited members		
– Retirement	754	
– Death	75	
– Transfers to other schemes	3,942	
– Other reasons	68	
Total members exited during the year	4,839	
Scheme members at 31 March 2018		
– Contributing members	41,308	
– Non-contributing members	25,712	
Total scheme members at 31 March 2018	67,020	
Total members' savings at 31 March 2018		\$2,040,909

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 contributions	44,894	106,672
Employer contributions	44,521	60,842
Government contributions	47,014	22,041
Transfers from other KiwiSaver schemes	878	20,781
Transfers from Australian superannuation schemes	139	4,947
Member voluntary contributions	17,104	33,844
Total contributions		249,127

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 24 November 2017 to include information about our responsible investment framework and changes to the investment objectives of the Cash Fund and New Zealand Fixed Interest Fund.

The SIPO was updated again 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.

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	565	15,710
Mortgage diversion withdrawals	0	0
End payment withdrawals	1,572	37,495
Significant financial hardship	208	1,382
Serious illness	29	784
Death	75	2,207
Permanent emigration	40	1,034
Transfers to other KiwiSaver schemes	3,937	92,279
Transfers to Australian superannuation schemes	5	151
Release required under other enactments	8	1,064
Total withdrawals		152,106

¹ includes second chance home withdrawals

UNIT PRICES

Investment fund	Unit price (\$) at 31 March 2017	Unit price (\$) at 31 March 2018
Growth Fund	1.7634	1.9133
Balanced Growth Fund	1.7567	1.885
Balanced Fund	1.7269	1.8317
Conservative Balanced Fund	1.6777	1.7599
Conservative Fund	1.6216	1.6824
Cash Fund	1.3504	1.3789
New Zealand Fixed Interest Fund	1.6270	1.6954
International Fixed Interest Fund	1.6582	1.6864
Australasian Property Fund	1.7157	1.8123
International Property Fund	1.3216	1.3352
Australasian Share Fund	1.6635	1.873
International Share Fund	1.6674	1.8759
Sustainable International Share Fund	1.5829	1.7303

CHANGES TO PERSONS INVOLVED IN THE SCHEME

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 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 31 March 2018.

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 2018 were:

- Ronald Bruce Macintyre (Chairman)
- 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 2017:

- Penelope Jane Ford resigned on 15 February 2018
- Paul Robert Daley was appointed on 21 May 2018

Key personnel of the manager

The following changes have taken place since 1 April 2017:

- Mark Brown resigned as Head of Equities on 31 October 2017
- Graham Ansell resigned as Chief Investment Officer on 6 April 2018
- Paul Huxford was appointed as Chief Investment Officer on 11 July 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 2017.

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.

 anzinvestments.co.nz/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
ANZ Centre, 23-29 Albert Street, Auckland
Freepost 324, PO Box 7149, Wellesley Street
Auckland 1141

 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
Level 14, 191 Queen Street, Auckland
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 6145

 0800 347 257

 info@fsccl.org.nz

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

The OneAnswer KiwiSaver Scheme has the **SuperRatings' Platinum 2018** 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 'Silver' as of 16 March 2018. © 2018 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.

