

Our Scheme in your hands.

**ANNUAL REPORT FOR THE YEAR
ENDED 31 MARCH 2015**

**Kiwi
Wealth.**

**Kiwi Wealth
KiwiSaver Scheme.**

Welcome to our first annual report as the Kiwi Wealth KiwiSaver Scheme.

From 1 April last year, we changed our name from the Gareth Morgan KiwiSaver Scheme, so this has been our first year operating under our new name.

And what a year it's been!

While the investment environment experienced some ups and downs, the Kiwi Wealth KiwiSaver Scheme (which we'll just call 'the Scheme' from now on) went from strength to strength.

Our membership continued to grow, as we hit 90,000 members in July, and then quickly surpassed that when our 100,000th member joined in October. We appointed a new CEO, took our place among the government default providers and saw three of our investment portfolios awarded five out of five stars for 'outstanding value' by CANSTAR. And we also welcomed 22,599 new members who transferred to us from the Kiwibank KiwiSaver Scheme.

And on top of all of this, we scored positive returns for our members.

So without further ado, here's everything you need to know about our Scheme from the past year. No more, no less.

As usual, we've got all the key information in the front of the report and the legal stuff we have to include at the back.

Dive in to find out how things shaped up for your money and the Scheme during 2014-2015

**Kiwi
Wealth.**

**Kiwi Wealth
KiwiSaver Scheme.**

The investment statement for the Scheme is available at www.kiwiwealth.co.nz or by calling **0800 427 384**, or from your local Kiwibank or www.kiwibank.co.nz.

Kiwi Wealth Limited is the issuer and manager of the Scheme and is a related company of Kiwibank Limited. Kiwibank Limited is a distributor but is not an issuer or promoter of the Scheme. Investments made in the Scheme do not represent bank deposits or other liabilities of Kiwibank Limited, New Zealand Post Limited or any other member of the New Zealand Post Group. They are subject to investment and other risks, including possible delays in payment of withdrawal amounts and loss of investment value. No person, including Kiwibank Limited, New Zealand Post Limited or any other member of the New Zealand Post Group, Kiwi Wealth Limited, Gareth Morgan Investments Limited Partnership, Public Trust as the trustee of the Scheme or any of their respective directors or board members, or the New Zealand Government guarantees the payment of members' interests in the Scheme or the payment of any earnings or returns on investment in the Scheme.

MONEY In and Out

Here's a summary of the money that was put into the Scheme and the money that was taken out of the Scheme between 1 April 2014 and 31 March 2015. The summary below includes all contributions, investment returns, taxes, fees and expenses. FUM stands for funds under management – the dollar value of members' funds in the Scheme. Note we've rounded these figures to the nearest thousand.

Starting FUM – **\$1,311,221,000**

MONEY IN

Contributions – \$687,860,000

If the contributions figure seems big, it's partly because of the 22,599 new members who were transferred to us from the Kiwibank KiwiSaver Scheme.

Investment income – \$286,455,000

MONEY OUT

Withdrawals and transfers – \$109,854,000

Fees and expenses – \$20,855,000

Tax – \$13,498,000

Ending FUM – **\$2,141,330,000**

These figures are taken from the Scheme's audited annual financial statements for the year ended 31 March 2015, which were signed on 30 June 2015 ("Financial Statements").

MONEY Market review

Global growth gained strength but remained uneven.

With the economy improving, markets picked up speed too, despite a few political and economic hurdles along the way.

2014

April – June: Global share markets performed strongly, with unrest in Iraq not enough to derail their momentum. Central bank support, particularly in the US, kept investors optimistic, as did evidence that the Chinese economy was stabilising. The slowly recovering European markets were kept in check by violence in eastern Ukraine.

July – September: Markets sailed through further geopolitical squalls in Iraq and Ukraine. While the eurozone and China proved sluggish, the US economy continued to improve, allowing the Federal Reserve to carry on with the roll back of its bond-buying or quantitative easing (QE) programme. In contrast, the European Central Bank introduced negative official interest rates and launched its own mini-version of QE to try and spark the eurozone economy. The Kiwi dollar suffered a dip, while the US dollar picked up speed, with a rollicking rise in September.

October – December: Markets gyrated wildly as oil prices plummeted. Meanwhile, central bank actions continued to be a big driver for markets. While the US Federal Reserve ended its QE programme, the Bank of Japan joined other central banks by announcing a significant expansion of government bond purchases. Likewise, the European Central Bank continued its commitment to easier monetary policy. These policy decisions had a large bearing on currency markets in particular, with the US dollar strengthening and the yen and euro weakening.

2015

January: The big news at the start of 2015 was the European Central Bank's announcement of a large QE programme, pumping 1.1 trillion new euros into the eurozone economy. This action reverberated across currency, bond and share markets and led to a strong depreciation in the euro. Central banks in China, Australia and Sweden followed this lead and joined the ever-expanding easy money club.

February – March: Global share markets rallied strongly in February, although there was a much weaker tone to US economic data, which was put down to weather-related issues. This, along with a signal from the Chair of the US Federal Reserve that interest rates rises were near, caused a few ups and downs in share markets.

MONEY Investment returns

Returns information for the Scheme's investment portfolios is available at www.kiwiwealth.co.nz/returns and is updated monthly. Over the page we've shown the investment returns calculated for the year ended 31 March 2015 and since we started investing money for our members in October 2007.

The benchmarks in the table are the comparable market returns for each investment portfolio. Our goal is to beat benchmark returns. We won't achieve that every year, and we may deviate from the benchmark asset allocation (sometimes for long periods of time), but that's what we strive for. You can find out more about our benchmarks on our website at www.kiwiwealth.co.nz/benchmarks.

The returns are shown after all taxes, fees, and charges have been deducted, so they reflect what you'd get in your hand. We have calculated these returns according to the same method we use to calculate our periodic disclosure statements.

It's important to note that this does not tell you how the portfolios will perform in the future.

We use the highest Prescribed Investor Rate ("PIR") in calculating investment returns, which currently is 28%. The PIR is the rate at which your scheme investment income is taxed. If your PIR is lower than 28%, your actual returns will usually be higher.

Year ended 31 March 2015		Since KiwiSaver started in 2007
		Annualised (per year) ¹
Growth investment portfolio	21.77%	5.14%
Benchmark	14.74%	1.29%
We beat the benchmark by	7.03%	3.85%
Balanced investment portfolio	14.78%	5.09%
Benchmark	10.83%	2.55%
We beat the benchmark by	3.95%	2.54%
Conservative investment portfolio	8.01%	4.37%
Benchmark	5.93%	2.76%
We beat the benchmark by	2.08%	1.61%
Default investment portfolio ²	4.16%	
Benchmark	4.93%	
We beat the benchmark by	-0.77%	
CashPlus investment portfolio ³	3.37%	2.84%
Benchmark	3.06%	1.70%
We beat the benchmark by	0.31%	1.14%
Cash investment portfolio ⁴	2.76%	2.67%
Benchmark	2.23%	1.85%
We beat the benchmark by	0.53%	0.82%

1. We convert the returns over the whole period into a 'per year' figure that takes into account the compounding nature of investment returns.
2. The Default fund investment portfolio was introduced on 1 July 2014. As the investment portfolio hasn't been open for a full year, there is no annualised figure.
3. The CashPlus investment portfolio was introduced on 1 June 2012.
4. The Cash investment portfolio was introduced on 12 September 2012.

Asset allocation – the name of the game.

2014-2015 was another strong year for global share markets and this was reflected in the performance of our investment portfolios, particularly those with an exposure to shares.

Given the favourable investing environment, we kept the proportion of each portfolio invested in shares stable at a relatively high level during the year. For the Growth portfolio this exposure was around 85%. Although the allocation to shares as a whole was stable, we made numerous changes within portfolios to take advantage of opportunities as a result of valuation changes or particular market trends.

Stock selection was the main driver of outperformance for the year, and our winners came from a diverse range of industries and regions, including US supermarket operator **Kroger**, British broadcaster **ITV**, and Japanese auto manufacturer **Toyota**.

Fixed interest portfolios continued to perform, as the collapsing oil price and heightened Central bank intervention in Europe prolonged the low interest rate party around the world. We've been busy diversifying throughout the year, focusing in particular on global issuers in the Australian bond market and high quality supranational bonds (e.g. the World Bank) in New Zealand. For full details of where we invest your money, check the 'Investment Position' section of your online reports.

Which direction suits you?

We have a tool to help you understand the right investment direction for you. Your investment direction should be made up of the Kiwi Wealth KiwiSaver Scheme investment portfolio, or combination of investment portfolios that suits you, based on your appetite for risk together with your investment timeframe. Take the test now to check which investment portfolio(s) best suit you. You'll find it at www.kiwiwealth.co.nz/risk-profile.

MONEY How much is in the Scheme?

All these numbers are as at 31 March 2015.

Total members' funds
in the Scheme:

\$2,141,330,000

Average member
account balance:

\$16,028

Yep, that's two billion one hundred and forty-one million, three hundred and thirty thousand dollars in the Scheme.

Members

MEMBERS In and Out

Number of members
as at 31 March 2014:

83,228

Number of members
who joined us:

56,860

Including 22,599 from
the Kiwibank KiwiSaver
Scheme.

Number of members
who left us:

6,608

of which 1,118 made
an over 65s retirement
withdrawal and left
KiwiSaver completely.

Total membership
as at 31 March 2015:

133,480

This year has been another busy one for the Kiwi Wealth KiwiSaver Scheme...

...here's why:

April 2014

From 1 April, we ceased to be called the Gareth Morgan KiwiSaver Scheme and began operating under our new name of the Kiwi Wealth KiwiSaver Scheme.

The Scheme also changed from a monthly to a weekly investment cycle on 1 April. See our current Investment Statement for more information.

May 2014

This month we were pleased to announce that Dame Alison Paterson, who joined the GMI Board of Directors in March 2014, had taken over the Chair position from Paul Brock, Chief Executive, Kiwibank. Dame Alison has more than 30 years' experience in corporate governance.

July 2014

1 July saw us celebrate not only the seventh birthday of KiwiSaver but also, a couple of days later, our membership ticked over the 90,000 milestone!

From 1 July we also became one of the Government's nine default KiwiSaver providers. This meant that new KiwiSaver members who don't actively select a provider are automatically allocated by Inland Revenue to either the Kiwi Wealth KiwiSaver Scheme or a scheme from one of the eight other default providers.

August 2014

In August we welcomed Ian Burns as the new CEO of the GMI companies. Ian joined us from Guardian Trust, where he led their New Zealand business. He has extensive experience in wealth management, investment, strategy, financial markets, treasury and retail and corporate banking.

September 2014

We were delighted to announce in September that the Kiwi Wealth KiwiSaver Scheme's Balanced, Cash and Default investment portfolios had each been awarded the maximum five stars for 'outstanding value' by CANSTAR, in their 2014 KiwiSaver Star Ratings.

October 2014

We reached – and then quickly pushed past – the 100,000 member mark. At the time of publishing we now have over 140,000 members. Not too shabby!

November 2014

We welcomed 22,599 new members who were transferred to us from the Kiwibank KiwiSaver Scheme.

Statutory information

For the year ended 31 March 2015

Kiwi Wealth Limited as manager (**Manager**) of the Kiwi Wealth KiwiSaver Scheme (**Scheme**) reports as follows:

About the Scheme

As at 31 March 2015:

- (i) the Manager is the manager, promoter, registrar and administration manager;
- (ii) Public Trust is the trustee;
- (iii) Gareth Morgan Investments Limited Partnership is the investment manager (**Investment Manager**);
- (iv) JBWere (NZ) Nominees Limited is the custodian; and
- (v) PricewaterhouseCoopers is the auditor.

The most recent prospectus for the Scheme was registered with the Registrar of Financial Service Providers on 1 July 2014. The previous version of the prospectus was registered on 17 September 2013 and amended on 1 April 2014.

Investment performance

The returns of each of the Scheme's investment portfolios for the financial year ended 31 March 2015 and since inception (when we first started investing money for our members back in October 2007) are shown across the next page. Note the inception date for the CashPlus investment portfolio was 1 June 2012, the inception date for the Cash investment portfolio was 12 September 2012 and the inception date for the Default investment portfolio was 1 July 2014.

It's important to note that this does not tell you how the portfolios will perform in the future.

We have calculated these returns according to the same method we use to calculate our periodic disclosure statements. The returns are after all fees, costs, charges and tax at the applicable rate:

Scheme Investment Portfolios	Year ended 31 March 2015		Since inception (p.a.)	
	17.5% PIR	28% PIR	17.5% PIR	28% PIR
Cash	3.17%	2.76%	3.07%	2.67%
CashPlus	3.89%	3.37%	3.20%	2.84%
Default*	4.50%	4.16%		
Conservative	8.66%	8.01%	5.00%	4.37%
Balanced	15.26%	14.78%	5.70%	5.09%
Growth	22.03%	21.77%	5.63%	5.14%

* The default fund investment portfolio was introduced on 1 July 2014. As the investment portfolio hasn't been open for a full year, there are no annualised figures.

Fees

The total amount of fees charged by the Manager during the financial year:

	Year ended 31 March 2015
Direct	
Manager fees	\$17,617,120
Indirect	
Brokerage	\$3,188,708
Other expenses	\$48,208
Total amount of fees and expenses charged	\$20,854,036

Other regular fees and expenses (including audit, legal advice, postage, printing reports and disclosure materials, and maintaining accounts and member registers) are paid for by the Manager.

Membership

Changes in the numbers of Scheme members during the financial year:

	Year ended 31 March 2015
Contributing members at the start of the year	56,438
Total entries for the year (including existing members resuming contributions)	62,547
Total permanent exits and temporary exits for the year (including members stopping contributions)	23,024
Members on contributions holidays at the end of the year	2,306
Other non-contributing members (not on contributions holidays) at the end of the year	35,213

Withdrawals

The number of members of the Scheme who made a withdrawal during the financial year, and the total amount withdrawn by those members:

	Year ended 31 March 2015	
	Number of Members	\$000s
First home (and second chance) withdrawal	616	10,263
Significant financial hardship	700	5,073
Serious illness	80	1,496
Permanent emigration	42	727
End payment date (retirement) withdrawal	1,890	36,291

Contributions

The total amount of each type of contribution received by the Manager for the financial year and the number of members credited with each type of contribution:

	Year ended 31 March 2015	
	Number of Members	\$000s
Employee contributions	160,524	137,125
Employer contributions	156,964	78,713
Crown contributions	93,119	42,631
Transfers from other KiwiSaver schemes	39,770	353,302
Transfers from registered superannuation schemes (non-KiwiSaver)	373	27,740
Transfers from Australian superannuation schemes	313	5,623
Voluntary contributions paid via Inland Revenue	7,837	9,485
Voluntary contributions paid directly to the Scheme	19,015	33,241

The total amount of members' accumulations at the end of the financial year and the number of members with accumulations:

	Year ended 31 March 2015	
	Number of Members	\$000s
Members' accumulations	130,546	2,141,330,000

The number of members who transferred money from an Australian complying superannuation scheme to the Scheme and the total amount of those transfers are shown in the contributions table above.

Changes relating to the Scheme

On 1 April 2014:

- The Scheme changed its name to the Kiwi Wealth KiwiSaver Scheme.
- The Manager changed its name to Kiwi Wealth Limited.
- The Trust Deed was amended to clarify the limitation of:
 - each member's interests and liabilities in respect of each Investment Portfolio;
 - the Trustee's and the Manager's indemnities in respect of each Investment Portfolio.
- The Scheme commenced operating on a weekly investment cycle, including deducting the annual member fee weekly on a pro-rata basis.
- The investment guidelines in the management agreement between the Manager and the Trustee were amended to clarify the types of commodities we invest in and include new derivatives. These derivatives are cross currency swaps, and futures and options.

On 1 July 2014

- The Trust Deed was amended to:
 - facilitate the operation of the Default Investment Portfolio in accordance with the Instrument of Appointment;
 - clarify the minimum fee payable to us by members who invest in the Default Investment Portfolio and other Investment Portfolios;
 - clarify the information collected by us for the register of members and contributing employers;
 - more clearly detail how natural persons may join the Scheme;
 - clarify the circumstances in which members will cease to be members of the Scheme;
- The investment guidelines were deleted from the management agreement between the Manager and the Trustee and on the same date the Manager and the Trustee agreed a separate statement of investment policy and objectives (SIPO) for each Investment Portfolio and the Scheme.
- The Instrument of Appointment under which the Scheme was appointed as a default KiwiSaver Scheme came into force and on the same date the Default Investment Portfolio became available for investment.

Other changes during the year

Changes to the Trustee

On 30 June 2014:

- Rodger Finlay completed his term as a Board member of Public Trust.

On 23 July 2014:

- Huei Min (Lyn) Lim was appointed as a Board member of Public Trust.

On 23 July 2014:

- Michelle van Gaalen was appointed as a Board member of Public Trust.

On 31 August 2014:

- Michelle van Gaalen resigned as a Board member of Public Trust.

Changes to the Manager and Investment Manager

On 28 May 2014:

- Dame Alison Mae Paterson was appointed Chair of the Board of Directors of the Manager and the Investment Manager.

On 11 June 2014:

- Ian Burns was appointed as CEO of the GMI companies.

On 28 August 2014:

- Brian Joseph Roche ceased to be a director of the Manager and the Investment Manager.

On 28 August 2014:

- Lindsay Megan Wright was appointed as a director of the Manager and the Investment Manager.

Changes after year-end

From 1 April 2015:

- Those eligible to make a first home withdrawal could now withdraw member tax credits from their account.
- The first home withdrawal could now also be used to purchase or build a home on Māori land.

As at 6 April 2015:

- Her Majesty's Revenue and Customs (HMRC) announced changes to the qualifying recognised pensions scheme (QROPS) rules which resulted in all KiwiSaver schemes, including the Scheme losing their QROPS status. Accordingly, at the date of this annual report, the Kiwi Wealth KiwiSaver Scheme is not accepting UK pension transfers. Further details can be found at www.gmi.co.nz/qrops.

On 29 April 2015:

- Lindsay Megan Wright ceased to be a director of the Manager and the Investment Manager.

From 21 May 2015:

- The \$1,000 Government Kick-Start payment made to persons joining their first KiwiSaver Scheme was discontinued. Anyone making a first home withdrawal is now required to leave \$1,000 and any funds transferred from an Australian complying superannuation scheme in their member account when making a first home withdrawal.

From 1 June 2015:

- Those making a first home withdrawal may, in certain circumstances, be able to withdraw funds to pay for the initial deposit. Strict conditions apply, so please discuss with your lawyer as to whether you may be able to make a withdrawal to contribute towards the deposit.

Financial statements and auditors' report

Financial statements for the year ended 31 March 2015 that comply with the Financial Reporting Act 1993 were signed on 30 June 2015 and registered under that act on 10 July 2015. An unmodified auditors' report on those financial statements was also signed on 30 June 2015 and did not refer to a fundamental uncertainty and was not qualified in any way.

Summary financial statements

- The amounts in the summary financial statements are taken from the Scheme's full audited financial statements and cover the years ended 31 March 2015, 31 March 2014, 31 March 2013, 31 March 2012 and 31 March 2011.
- The presentation currency of the summary financial statements is New Zealand dollars.
- The summary financial statements cannot be expected to provide as complete an understanding as is provided by the full financial statements.
- An auditors' report from PricewaterhouseCoopers in respect of the summary financial statements is attached to this annual report.
- Audit fees paid in respect of the Scheme for each period presented were paid by the Manager out of the fee it deducts from each member's member account and were not separately deducted from the Scheme. Accordingly, audit fees are considered a non-applicable item for the purposes of these summary financial statements and are not presented.
- No items in the summary financial statements are of such incidence and size, or of such a nature, that disclosure is necessary to explain the performance of the Scheme.
- Significant changes during the year include the following:
 - Under section 9 (A)(1) of the Financial Reporting Act 1993, prior years financial statements were prepared at a scheme level. The Trust Deed amendment on 1 April 2014 has resulted in the Scheme preparing its financial statements on an investment portfolio basis.
 - On 7 November 2014 Kiwibank Investment Management Limited, the manager of the Kiwibank KiwiSaver Scheme ("KBKS"), transferred the members of the KBKS into the Scheme amounting to \$209 million.
 - Investment and fee cycles changed from monthly to weekly during the year.

Summary Statement of Changes in Net Assets

Total Scheme	Year ended				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
	\$000s	\$000s	\$000s	\$000s	\$000s
Investment Activities					
Investment income					
Dividend and distribution income	18,399	12,577	11,697	8,326	3,842
Interest income	30,423	18,848	14,980	13,061	9,524
Net gains/ (losses) on financial instruments at fair value through profit or loss	236,241	120,839	66,047	11,296	10,671
Foreign exchange gains/ (losses)	1,392	(754)	(417)	(1,496)	-
Net Investment Income	286,455	151,510	92,307	31,187	24,037
Expenses					
Management and administration fees	17,617	11,943	8,505	6,603	4,813
Transaction fees & expenses	3,238	2,659	1,940	1,943	6
Total expenses	20,855	14,602	10,445	8,546	4,819
Net increase in net assets before membership activities	265,600	136,908	81,862	22,641	19,218
Net assets attributable to members at beginning of the year	1,311,221	928,346	715,042	525,136	334,375

Summary Statement of Changes in Net Assets Continued

Total Scheme	Year ended				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
	\$000s	\$000s	\$000s	\$000s	\$000s
Membership activities					
Contributions					
Crown contributions*	42,631	31,727	25,299	46,587	43,980
Employer contributions	78,713	55,750	37,307	44,928	40,049
Employee contributions	137,125	102,155	79,155	77,166	70,373
Voluntary contributions	42,708	32,167	19,195	16,845	15,808
Transfers from other schemes	386,665	112,420	39,336	13,186	17,099
Manager reimbursements	18	13	14	4	-
Withdrawals					
Permitted withdrawals	(56,392)	(38,050)	(33,473)	(4,187)	(1,605)
Transfers to other schemes	(52,641)	(33,220)	(23,201)	(17,334)	(10,142)
Refunds to members/ Inland Revenue	(820)	(789)	(853)	(607)	(500)
PIE tax paid and payable	(13,498)	(16,206)	(11,337)	(9,323)	(3,519)
Net membership activities	564,509	245,967	131,442	167,265	171,543
Benefits accrued to members' accounts	830,109	382,875	213,304	189,906	190,761
Members funds at end of the year	2,141,330	1,311,221	928,346	715,042	525,136

* **Crown contributions** mean both the \$1,000 Kick-Start (if received) and Member Tax Credits.

Summary Statement of Net Assets

Total Scheme	As at				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
	\$000s	\$000s	\$000s	\$000s	\$000s
Assets					
Cash and cash equivalents	124,634	168,826	87,103	72,754	16,316
Receivables	31,968	14,489	3,729	3,459	2,786
Financial assets held at fair value through profit or loss	2,000,694	1,149,277	847,666	646,835	506,193
Total assets	2,157,296	1,332,592	938,498	723,048	525,295
Total tangible assets	2,157,296	1,332,592	938,498	723,048	525,295
Liabilities					
Management and administration fees payable	(247)	(1,157)	(814)	(635)	(475)
Financial liabilities held at fair value through profit or loss	-	-	-	(2,944)	-
Payables for securities purchased	(10,204)	(9,887)	(4,350)	-	-
Withdrawals payable	(1,364)	-	-	-	-
PIE tax payable	(4,151)	(10,327)	(4,988)	(4,427)	316
Total liabilities (excluding net assets attributable to members)	(15,966)	(21,371)	(10,152)	(8,006)	(159)
Net assets attributable to members	2,141,330	1,311,221	928,346	715,042	525,136



The Directors
Kiwi Wealth Limited
Level 10, 109 Featherston Street
Wellington, 6011
New Zealand

31 August 2015

Dear Directors

Report of the Independent Auditors' for Inclusion in the Annual Report

The accompanying summary financial statements on pages 17 to 20 which comprise the summary statements of net assets as at 31 March 2011, 2012, 2013, 2014 and 2015 and the summary statements of changes in net assets for the years then ended, and related notes, are derived from the audited financial statements of Kiwi Wealth KiwiSaver Scheme (the "Scheme") for the years ended 31 March 2011, 2012, 2013, 2014 and 2015.

The summary financial statements of the Scheme do not contain all the disclosures required for full financial statements under generally accepted accounting practice in New Zealand. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of the Scheme.

Our audit of the financial statements for the year ended 31 March 2015 was completed on 30 June 2015 and our unmodified opinion was issued on that date. We have not undertaken any additional audit procedures in relation to those financial statements from the date of the completion of our audit and those financial statements and the summary financial statements do not reflect the effects of events that occurred subsequent to our report on those financial statements.

The audits of the financial statements for the years ended 31 March 2011 and 2012 were completed by KPMG.

This report is made solely to the Directors of the Manager. Our work has been undertaken so that we might state those matters we are required to state to the Manager in a report from the auditor and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Manager, for this report. In addition, we take no responsibility for, nor do we report on, any part of the annual report in which these summary financial statements are contained not specifically mentioned in this report.

Manager's Responsibility for the Summary Financial Statements

The Manager is responsible for the preparation and presentation of summary financial statements in accordance with clause 7 of Schedule 5A of the Securities Regulations 2009 as required to be presented in the annual report pursuant to clause 4(3)(b)(ii) of Schedule 1A of the KiwiSaver Regulations 2006.

Auditors' Responsibility

Our responsibility is to provide a report on the summary financial statements of the Scheme, stating whether the amounts stated in the summary financial statements of the Scheme for the years ended 31 March 2011, 2012, 2013, 2014 and 2015, in accordance with clause 4(3)(b)(ii) of Schedule 1A of the KiwiSaver Regulations 2006 have been correctly taken from the audited financial statements of the Scheme, in all material respects.

We are independent of the Scheme. Other than in our capacity as auditors we have no relationship with, or interests in, the Scheme.

Report on the Summary Financial Statements

The summary financial statements of the Scheme for the years ended 31 March 2011, 2012, 2013, 2014 and 2015 on pages 17 to 20 as required by clause 4(3)(b)(ii) of Schedule 1A of the KiwiSaver Regulations 2006 have been correctly taken from the audited financial statements of the Scheme for the years then ended, in all material respects.

Restriction on Use of our Report

This report has been prepared for inclusion in the annual report. We disclaim any responsibility for reliance on this report or the amounts included in the summary financial statements, for any purpose other than that for which they were prepared.

Yours faithfully

A handwritten signature in black ink that reads "PricewaterhouseCoopers". The signature is written in a cursive, flowing style.

Chartered Accountants
31 August 2015

Wellington

The most recent prospectus, and financial statements and other documents of, or relating to, the Scheme, are filed on a public register at the Companies Office of the Ministry of Business, Innovation and Employment and are available for public inspection (including online at <http://www.business.govt.nz/companies> under 'search other registers').

You can obtain a copy of the full financial statements, auditors' report, an estimate of your benefits, or a copy of the most recent registered prospectus relating to the Scheme, from the Manager via its website www.kiwiwealth.co.nz or on request by calling 0800 427 384.

Manager's statement

The Manager states that:

- (i) all the benefits required to be paid from the Scheme in accordance with the terms of the trust deed of the Scheme and the KiwiSaver scheme rules have been paid;
- (ii) the market value of the assets of the Scheme at the close of the year ended 31 March 2015 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 close of that financial year;
- (iii) there is a scheme provider agreement between the Commissioner of Inland Revenue and the Manager that remained in force throughout the year ended 31 March 2015;
- (iv) there was no fee increase during the year ended 31 March 2015 by any person listed in clause 2 of the KiwiSaver scheme rules; and
- (v) contributions received in respect of each member, including contributions paid by way of the Commissioner of Inland Revenue in respect of that member, have been applied in accordance with the trust deed of the Scheme and the KiwiSaver Act 2006.

Paul Brock
Director
Kiwi Wealth Limited



Date: 31 August 2015

Alistair Nicholson
Director
Kiwi Wealth Limited



Date: 31 August 2015

Trustee's statement

Public Trust certifies that, in respect of the financial year ended 31 March 2015, it is satisfied that the Manager has not breached an issuer obligation (as defined in section 4(1) of the Financial Markets Supervisors Act 2011) in a material respect.

Dennis Church
General Manager
Corporate Trustee Services
Public Trust



Date: 31 August 2015

Inquiries and complaints

Any questions? Direct any questions about the Scheme to:

Customer Services Team
Kiwi Wealth Limited
PO Box 10068
Level 10, 109 Featherston Street
Wellington 6143
Phone: **0800 427 384**
Email: questions@kiwiwealth.co.nz

Any problems? Direct any complaints about the Scheme to:

Our Customer Services Team at the contact details above,
or email complaints@kiwiwealth.co.nz

You can also contact the Trustee at:

General Manager
Corporate Trustee Services

Public Trust

PO Box 31543
Level 5, 40-42 Queens Drive
Lower Hutt 5040
Phone: **0800 371 471**
Email: CTSEnquiry@publictrust.co.nz

We are a member of an approved dispute resolution scheme operated by the Insurance and Financial Savings Ombudsman (IFSO). The Trustee is a member of an approved dispute resolution scheme operated by Financial Services Complaints Limited (FSCL). If we or the Trustee cannot agree with you on how to resolve your complaint, you can contact IFSO or FSCL. Both these schemes are available at no cost to you and will help us resolve any disagreements.

Insurance and Financial Services Ombudsman Scheme

PO Box 10-845, Wellington 6143
Level 11, Classic House, 15-17 Murphy Street,
Wellington 6011
Phone: **0800 888 202**
Email: info@ifso.org.nz

Financial Services Complaints Limited

PO Box 5967, Wellington 6145

Level 4, 101 Lambton Quay, Wellington 6145

Phone: **0800 347 257**

Email: info@fscl.org.nz

Alternatively, you can contact the Financial Markets Authority:

Financial Markets Authority

PO Box 106 672, Auckland 1143

Phone: **0800 434 567** or submit a complaint via their website at www.fma.govt.nz

“And the people have spoken”

We received great news in June when Consumer NZ announced we had won their inaugural People’s Choice Award for 2015. Nearly 5000 Consumer NZ members were asked about their level of satisfaction with their KiwiSaver provider and 90% of survey respondents who are members of Kiwi Wealth rated us as ‘good’ or ‘very good’.

We were once again stoked to receive the results of the annual **Nielsen Company survey** of members of the top KiwiSaver providers in June 2015. Again we were the hands down winner for customer satisfaction.

ONLINE ACCOUNT MANAGEMENT FACILITIES

79% of our members surveyed rated us very good or excellent for online account management facilities. The next best result was 61%.

CUSTOMER SERVICE

75% of our members surveyed rated us very good or excellent for customer service. The next best result was 66%.

OPENNESS AND TRANSPARENCY

77% of our members surveyed rated us very good or excellent for openness and transparency of fees. The next best result was 59%.

82% of our members surveyed rated us very good or excellent for openness and transparency of returns. The next best result was 59%.

Member recommendations

Our Scheme was the most likely KiwiSaver scheme to be recommended by its members.

COMMUNICATION

82% of our members surveyed rated us very good or excellent for ongoing communication. The next best result was 55%.

Source: The Nielsen Company survey of the customers of the top nine KiwiSaver providers, June 2015 (the top providers are those with the largest number of members).

What you said

We are constantly blown away by the feedback we receive from our members. Here are some of the great things members passed on to us.

"...their returns have been very good, and their reporting is excellent."

"...they have a very good web interface - this means you can see at a glance what your plan is doing, and also, you can change things yourself. The other important thing is that it is NZ owned."

Great communication, easy access through Kiwibank & I can get an appointment with someone quickly and easily if I need to."

"They're great, they send text updates of the balance every month, and have always been great to deal with on the odd occasion I have had to contact them."

"The web interface is an awesome step and I love working out what infinitesimal percentage of Coca Cola, Microsoft or Google I've managed to own."

"Transparent. Accessible. Readily Understandable. Person friendly. Helpful. Your best interests at heart."

"It's 100 percent transparent so I can see exactly what is being invested in. This allows me to monitor my fund risk, plan around this with my other investments. Kiwi Wealth are great at keeping in touch."

Kiwi Wealth KiwiSaver Scheme

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