

A look back at how your future's shaping up.

**ANNUAL REPORT FOR THE YEAR
ENDED 31 MARCH 2016**

**Kiwi
Wealth.**

**Kiwi Wealth
KiwiSaver Scheme.**

Welcome to the Kiwi Wealth KiwiSaver Scheme Annual Report.

It's jam-packed with all of the usual info – facts and figures, a round-up of market performance, info on our portfolios and all of the big moments for our scheme over the course of the year.

We'll get to all of the numbers and things in a minute. But first, we want to tell you a little bit about some work we've been doing to help our members get the most out of KiwiSaver.

KiwiSaver is an investment in your future, and it's an important one. Given that we're living longer than ever, and that NZ Super will only provide for a basic, no-frills retirement, more and more of us may have to rely on our KiwiSaver account to help make our golden years really shine.

In March 2016, Kiwi Wealth carried out some research among our members, which showed that 77% of New Zealanders didn't know what their KiwiSaver account could potentially be worth when they are eligible to withdraw.*

Our research results spurred us into action. At Kiwi Wealth, we're known for our openness and transparency and we wanted to apply those same ideas to helping our members get the most out of their KiwiSaver accounts. We began an exciting new programme of work, which is still going on, creating digital tools to give our members better visibility and control over their KiwiSaver account. Our first tool, which forecasts your potential future account balance, was launched in May 2016. You can see it in your online account now.

New digital retirement forecasting tool released to members



Most members can review which investment might be right for someone like them, based on their investment timeframe and risk tolerance. And if they want to change funds, they can do that directly through the tool – no more paperwork. It's also possible to review contribution rates, and see what impact changing these contributions might have on their retirement income from their Kiwi Wealth KiwiSaver Scheme account, all with a view to helping members understand how KiwiSaver might help give them the retirement lifestyle they desire. To find out more, visit www.kiwiwealth.co.nz/futureyou.

* Horizon Research (2016). *KiwiSaver. Kingsland, Auckland: Horizon Research Limited.*

After all, it's your money and it's your future you're investing in, so it's important you have all the info available to you.

Which brings us back to this year's annual report. On the following pages, you can find all the info you need to know about how this year shaped up for the Kiwi Wealth KiwiSaver Scheme (or our Scheme for short).

2015-2016 was a bit of a mixed bag. Market volatility came back with a bang, impacting how our portfolios performed for the year. And legislative changes in the UK meant that we, along with every other KiwiSaver scheme, lost QROPS status, which means we can no longer accept UK pension transfers.

On a more positive note, we tipped over the 150,000 member mark, and were delighted when we were awarded the inaugural Consumer NZ People's Choice Award in 2015. We also received, for the second year running, the top platinum award from SuperRatings for best value for money.

And, as if all that wasn't enough, we also moved offices - though we didn't go far, just to different floors in the same building.

As usual, we've kept things short and sweet. We've put all the key info at the front of the report and you can find the legal stuff we have to include at the back.

Enjoy!

**Kiwi
Wealth.**

**Kiwi Wealth
KiwiSaver Scheme.**

In the letter accompanying this annual report, we explained that, as of 29 July 2016, we have transitioned to the new Financial Markets Conduct Act 2013. As part of this transition we no longer use an investment statement, which has been replaced by a Product Disclosure Statement. If you'd like to find out more, the Product Disclosure 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 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 supervisor of the Scheme or any of their respective directors or board members, or the New Zealand Government guarantees the payment.

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 2015 and 31 March 2016. 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: **\$2,141,330,000**

MONEY OUT

Withdrawals and transfers: \$163,592,000

Fees and expenses: \$28,632,000

Investment loss: \$24,466,000

With the markets taking us on a wild ride this year, our net investment income was negative for the first time since 2009 and the global financial crisis.

MONEY IN

Contributions: \$535,086,000

Tax: \$19,710,000

Ending FUM: **\$2,479,436,000**

These figures are taken from the Scheme's audited annual financial statements for the year ended 31 March 2016, which were signed on 6 July 2016 (Financial Statements).

MONEY Market review

A wild year in equity markets.

2015

April – May: Share markets edged up in April, with plenty of churning along the way, while bond markets spiked in developed economies for most of May, before easing back by the end of the month.

June – July: Greece's debt crisis - which saw it edge closer to an exit from the Eurozone - made it a difficult month, especially for European markets. July saw a last minute deal between Greece and its creditors, causing European shares to rally strongly. However, Chinese share markets and commodities sold off precipitously at the start of July, rattling markets.

August – September: China continued to be the big news in August, as a growth scare ripped through global equity markets, resulting in levels of volatility rarely seen since the global financial crisis. Concern over the Chinese economy, and the US Federal Reserve's decision to defer its first interest rate hike since 2006, contributed to the sense of uncertainty in markets.

October: Concerns about Chinese growth declined, as global shares staged a strong comeback in October, making it one of the strongest months in recent years. More accommodative sounds from global central banks helped provide a remedy to the panic witnessed in financial markets during August and September.

November – December: Following October's strong bounce-back, it was a subdued end to the year, with a muted performance from global shares during November and December. This was due to continued falls in commodity prices, more lacklustre Chinese economic data and disappointment over central bank policy. December also saw the first US Federal Reserve rate hike in nearly ten years and market reaction was relatively muted.

MONEY Market review (cont..)

2016

January – February: January was a difficult month for risk assets, looking a lot like a re-run of August. Share markets fell sharply before rallying towards month end, thanks to central banks adopting a more dovish stance. February saw big declines across share markets, as fears of global recession and rising concerns over bank balance sheets stalked markets and kept interest rates low. However, better economic news out of the US, stabilising oil prices, and helpful comments from some central banks, helped shares to bounce back in the latter half of February.

March: March saw a significant rebound for shares, credit, and commodities. Better economic data, supportive central bank policies and more stable oil prices all sustained an impressive rally in markets, although a strong rise in the Kiwi currency meant returns were more muted when measured in NZ dollar terms.

MONEY Investment returns

Returns information for the Scheme's investment portfolios is available at www.kiwiwealth.co.nz/returns and is updated monthly. Below we've shown the investment returns calculated for the year ended 31 March 2016 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 on the next page after all taxes, fees, and charges have been deducted, so they reflect what you'd get in your hand. We have calculated these returns using the same method we use to calculate the returns in our periodic disclosure statements.

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.

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

MONEY Investment returns (cont..)

Year ended 31 March 2016		Since the portfolio started
		Annualised (per year) ⁵
Cash investment portfolio ¹	2.42%	2.60%
Benchmark	1.98%	1.89%
Performance relative to benchmark	0.44%	0.71%
CashPlus investment portfolio ²	2.75%	2.81%
Benchmark	2.39%	1.88%
Performance relative to benchmark	0.36%	0.93%
Conservative investment portfolio ³	2.21%	4.11%
Benchmark	2.33%	2.71%
Performance relative to benchmark	-0.12%	1.40%
Default investment portfolio ⁴	2.43%	3.77%
Benchmark	2.04%	3.98%
Performance relative to benchmark	0.39%	-0.21%
Balanced investment portfolio ³	-0.57%	4.40%
Benchmark	-0.14%	2.23%
Performance relative to benchmark	-0.43%	2.17%
Growth investment portfolio ³	-3.55%	4.08%
Benchmark	-1.94%	0.91%
Performance relative to benchmark	-1.61%	3.17%

1. The Cash investment portfolio was introduced on 12 September 2012.
2. The CashPlus investment portfolio was introduced on 1 June 2012.
3. The Conservative, Balanced and Growth Investment Portfolios were introduced on 1 October 2007.
4. The Default investment portfolio was introduced on 1 July 2014.
5. We convert the returns over the whole period into a 'per year' figure that takes into account the compounding nature of investment returns.

Why a long-term focus is the way forward with KiwiSaver

While we underperformed some of our benchmarks this year, remember that we are still seeing positive returns and beating the benchmark in the long-term, and it's the long-term that matters the most when investing for retirement.

The long-term nature of KiwiSaver and retirement investing means you'll likely weather many storms before you withdraw your money. In fact, since the Scheme was established in 2007, we've already experienced the global financial crisis, as well as political events like the Arab Spring and terrorist attacks, and natural disasters like the Canterbury earthquakes. Your KiwiSaver account has withstood all this, and will likely withstand even more before you withdraw your money.

How much your account is affected by the kind of market volatility we've seen in the past year depends on the type of investment portfolio your KiwiSaver money is invested in. While all investments have some degree of risk, they typically sit along a risk and return spectrum – at one end are those investment portfolios which usually invest in lower-risk assets such as cash and bonds, with a smaller allocation to shares. Because they are less exposed to share markets, they are less affected by downturns in the share market. Investment portfolios at the other end of the spectrum have a greater exposure to share markets and are therefore more likely to lose out when these markets fall. Generally speaking, the riskier the investment portfolio, the higher your potential returns in the long-term, but the more likely it is that you'll be affected by market volatility in the short-term.

You need to take into consideration your investment timeframe, how much risk you're happy to take on and your general financial situation when deciding which investment portfolio is right for you. At the end of the day, if market ups and downs are keeping you awake at night, perhaps it's time to rethink which of the investment portfolios you choose to invest in.

This information is just general. It doesn't take into consideration your personal circumstances and shouldn't be considered a recommendation to invest in any particular investment portfolio. It's also important to bear in mind that your KiwiSaver account and returns are not guaranteed by anyone.

See-sawing shares and buoyant bonds

After four years of strong performance, 2015-2016 was a more difficult year for global shares, with price declines across most markets. This was reflected in the performance of our portfolios, particularly those with exposures to shares. In response to higher volatility in markets over the year we varied exposure to shares at the margin. For the Growth portfolio, this exposure was in the range of 77-85%. We made changes within portfolios to control risks and take advantage of opportunities as they arose. Our better performing shares over the year included those of US construction materials company **Martin Marietta**, US waste management company **Republic Services**, social media giant **Facebook**, and Dutch/UK consumer conglomerate **Unilever**. Offsetting these positives were a number of underperformers, including some of our European bank and US healthcare holdings.

Fixed interest returns in your portfolios were positive for the year due to falling interest rates and declining company credit spreads (the extra interest from owning a company bond over a government bond). A higher average bond maturity than benchmark helped the fixed interest part of your portfolio to outperform the benchmark. This was somewhat offset by an underweight to more volatile longer bond maturities, which outperformed in relation to shorter maturities as interest rates declined. Our multinational company bonds performed well as credit spreads declined. The cash component of portfolios also achieved good returns due to attractive interest rates on our domestic term deposits.

For full details of where we invest your money, check the 'Investment Position' section of your online reports.

MONEY How much is in the Scheme?

All these numbers are as at 31 March 2016.

Total members' funds
in the Scheme:

\$2,479,436,000*

Average member
account balance:

\$16,187

Yep, that's two billion, four hundred and seventy-nine million, four hundred and thirty-six thousand dollars in our members' accounts.

Members

MEMBERS In and Out

Number of members
as at 31 March 2015:

133,480

Number of members
who joined us:

28,846

Number of members
who left us:

9,147

of which 1,248 made
an over 65s retirement
withdrawal and left
KiwiSaver completely.

Total membership
as at 31 March 2016:

153,179

* Rounded to the nearest thousand.

Another year under our belt at the Kiwi Wealth KiwiSaver Scheme.

Here's a quick rundown of the main events for our Scheme in 2015-2016:

May 2015

A change in legislation meant that anyone joining KiwiSaver after 2pm, 21 May 2015 would no longer be eligible to receive the \$1,000 kick-start.

June 2015

UK legislative changes meant that all KiwiSaver schemes no longer meet the criteria for qualifying recognised overseas pension scheme (QROPS) status. This means that we are no longer able to accept UK pension transfers to the Kiwi Wealth KiwiSaver Scheme.

July 2015

The people have spoken...

The Kiwi Wealth KiwiSaver Scheme was awarded the inaugural 2015 Consumer NZ People's Choice Award for overall customer satisfaction. This award was chosen by the people who matter most to us...you! The award was based on the results of a Consumer NZ survey of 5,000 KiwiSaver members, in which Kiwi Wealth came out as the top provider across customer service, communication and performance areas. Ninety percent of the Kiwi Wealth members taking part in the survey rated our performance as 'good' or 'very good'.

September 2015

Making contributions became even easier

From September, members banking with ANZ, ASB, BNZ, TSB and Westpac could make voluntary contributions to their Kiwi Wealth KiwiSaver Scheme accounts through internet banking.

January 2016

We add another award to our trophy cabinet

The Kiwi Wealth KiwiSaver Scheme received a Platinum Award for 2016 from SuperRatings, an Australian-based firm specialising in the superannuation industry. SuperRatings spent over three years researching the New Zealand KiwiSaver scheme market and analysing more than 27 KiwiSaver schemes. This is the second year in a row that the Kiwi Wealth KiwiSaver Scheme has achieved a Platinum rating, which means that our Scheme was judged to be 'best value for money' across key areas, including investment returns, investment methodology, fees, member education and financial advice

We hit 150,000 members

Our total membership hit 150,000 in January and kept climbing.

February 2016

A new home...

The Kiwi Wealth Team found a new home when we relocated to bigger premises. But we didn't go very far – we've just moved to two new floors in the same building. Our postal address remains the same, but if you want to see us in person, you can now find us on Level 4, 109 Featherston Street, Wellington, New Zealand.

March 2016

Looking at whether KiwiSaver members may fall short at retirement

In March, we undertook some research about Kiwis and their expectations for retirement. We discovered that there is a large gap between people's retirement income expectations and the amount they need to save to achieve it. Seventy Seven percent of the KiwiSaver members we surveyed don't know what their KiwiSaver account will be worth when they retire*. The research results got us thinking and started us on an exciting new programme of work, designing online tools for our members, to help them get the most of out of their KiwiSaver account.

* *Horizon Research (2016). KiwiSaver. Kingsland, Auckland: Horizon Research Limited.*

Statutory information

For the year ended 31 March 2016

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

About the Scheme

As at 31 March 2016:

- (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 11 September 2015.*

Investment performance

The returns of each of the Scheme's investment portfolios for the financial year ended 31 March 2016 and since inception (when we first started investing money for our members back in October 2007) are shown below. 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 using the same method we use to calculate the returns in our periodic disclosure statements. The returns are after all fees, costs, charges and tax at the applicable rate:

* A Product Disclosure Statement for the Scheme was lodged on the Offer Register on the Disclose website on 29 July 2016 upon the Scheme's transition to the Financial Markets Conduct Act 2013. From this date, Public Trust is known as the 'Supervisor' of the Scheme.

Scheme Investment Portfolios	Year ended 31 March 2016		Since inception (p.a.)	
	17.5% PIR	28% PIR	17.5% PIR	28% PIR
Cash	2.78%	2.42%	2.99%	2.60%
CashPlus	3.16%	2.75%	3.23%	2.81%
Conservative	2.51%	2.21%	4.70%	4.11%
Default	3.09%	2.43%	4.15%	3.77%
Balanced	-0.81%	-0.57%	4.91%	4.40%
Growth	-4.33%	-3.55%	4.41%	4.08%

Fees

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

	Year ended 31 March 2016 \$000s
Direct	
Manager fees	\$24,184
Indirect	
Brokerage	\$4,448
Other expenses	\$0
Total amount of fees and expenses charged	\$28,632

Other regular fees and expenses (including Public Trust's services, administration services, investment management services, registry and custody costs, marketing, auditing, legal, printing and postage) are paid for by the Manager.

Membership

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

	Year ended 31 March 2016
Contributing members at the start of the year	96,082
Total entries for the year (including existing members resuming contributions)	34,468
Total permanent exits and temporary exits for the year (including members stopping contributions)	28,123
Members on contributions holidays at the end of the year	3,224
Other non-contributing members (not on contributions holidays) at the end of the year	47,528

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 2016	
	Number of Members	\$000s
First home (and second chance) withdrawal	1,529	31,457
Significant financial hardship	1,241	9,226
Serious illness	102	1,719
Permanent emigration	72	1,065
End payment date (retirement) withdrawal	2,316	49,552

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 2016	
	Number of Members	\$000s
Employee contributions	97,954	174,399
Employer contributions	96,374	101,404
Crown contributions	123,773	45,940
Transfers from other KiwiSaver schemes	16,851	147,573
Transfers from registered superannuation schemes (non-KiwiSaver)	52	2,674
Transfers from Australian superannuation schemes	299	8,255
Voluntary contributions paid via Inland Revenue	4,326	11,936
Voluntary contributions paid directly to the Scheme	18,075	42,905

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

	Year ended 31 March 2016	
	Number of Members	\$000s
Members' accumulations	150,913	2,479,436

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

During the year to 31 March 2016, there were no changes to the trust deed, the terms of offer of interest in the Scheme, or the investment objectives and policy for the Scheme and each of its investment portfolios.

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.
- The KiwiSaver HomeStart grant was introduced to replace the KiwiSaver first home deposit subsidy. This is administered by Housing New Zealand and any subsidy paid is not payable from the Kiwi Wealth KiwiSaver Scheme.

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 www.kiwiwealth.co.nz/uk-pension.

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.

Other changes during the year ended 31 March 2016

Changes to the Trustee

On 31 October 2015:

- David Tapsell completed his term as a board member of Public Trust.

On 1 November 2015:

- Simon Marshall Craddock and John Ross Duncan were appointed as board members of Public Trust.

Changes to the Manager and Investment Manager

On 29 April 2015:

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

Changes after year end

On 30 April 2016:

- Susan McCormack completed her term as a board member of Public Trust.

From 29 July 2016:

- The Scheme transitioned to the Financial Markets Conduct Act 2013 and adopted the new requirements under this law. This included replacing our Investment Statement with a Product Disclosure Statement and making some changes to our trust deed and statement of investment policies and objectives (SIPO). Copies of these documents can be downloaded from the 'Scheme and Fund documents' page of our website at www.kiwiwealth.co.nz/scheme-documents.

Financial statements and auditors' report

Financial statements for the year ended 31 March 2016 that comply with the Financial Reporting Act 1993 were signed on 6 July 2016 and registered under that Act on 21 July 2016. An unmodified auditors' report on those financial statements was also signed on 6 July 2016 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 2016, 31 March 2015, 31 March 2014, 31 March 2013 and 31 March 2012.

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.

There were no significant changes during the year.

Summary Statement of Changes in Net Assets of the Scheme

Total Scheme	Year ended				
	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
	\$000s	\$000s	\$000s	\$000s	\$000s
Investment Activities					
Investment income					
Dividend and distribution income	29,134	18,399	12,577	11,697	8,326
Interest income	43,771	30,423	18,848	14,980	13,061
Net gains/(losses) on financial instruments at fair value through profit or loss	(97,554)	236,241	120,839	66,047	11,296
Foreign exchange gains/(losses)	183	1,392	(754)	(417)	(1,496)
Net investment income/(losses)	(24,466)	286,455	151,510	92,307	31,187
Expenses					
Management and administration fees	24,184	17,617	11,943	8,505	6,603
Transaction fees & expenses	4,448	3,238	2,659	1,940	1,943
Total expenses	28,632	20,855	14,602	10,445	8,546
Net increase/(decrease) in net assets before membership activities	(53,098)	265,600	136,908	81,862	22,641
Net assets attributable to members at beginning of the year	2,141,330	1,311,221	928,346	715,042	525,136

Summary Statement of Changes in Net Assets of the Scheme

Total Scheme	Year ended				
	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
	\$000s	\$000s	\$000s	\$000s	\$000s

Membership activities

Contributions					
Crown contributions	45,940	42,631	31,727	25,299	46,587
Employer contributions	101,404	78,713	55,750	37,307	44,928
Employee contributions	174,399	137,125	102,155	79,155	77,166
Voluntary contributions	54,841	42,708	32,167	19,195	16,845
Transfers from other schemes	158,502	386,665	112,420	39,336	13,186
Manager reimbursements	-	18	13	14	4

Withdrawals

Permitted withdrawals	(96,200)	(56,392)	(38,050)	(33,473)	(4,187)
Transfers to other schemes	(66,158)	(52,641)	(33,220)	(23,201)	(17,334)
Refunds to members/ Inland Revenue	(1,234)	(820)	(789)	(853)	(607)
PIE tax paid and payable	19,710	(13,498)	(16,206)	(11,337)	(9,323)
Net membership activities	391,204	564,509	245,967	131,442	167,265
Benefits accrued to members' accounts	338,106	830,109	382,875	213,304	189,906
Members funds at end of the year	2,479,436	2,141,330	1,311,221	928,346	715,042

Summary Statement of Net Assets of the Scheme

Total Scheme	As at				
	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
	\$000s	\$000s	\$000s	\$000s	\$000s
Assets					
Cash and cash equivalents	189,133	124,634	168,826	87,103	72,754
Receivables	67,015	31,968	14,489	3,729	3,459
Financial assets held at fair value through profit or loss	2,289,299	2,000,694	1,149,277	847,666	646,835
Total assets	2,545,447	2,157,296	1,332,592	938,498	723,048
Liabilities					
Management and administration fees payable	(423)	(247)	(1,157)	(814)	(635)
Financial liabilities held at fair value through profit or loss	-	-	-	-	(2,944)
Payables for securities purchased	(53,197)	(10,204)	(9,887)	(4,350)	-
Withdrawals payable	(5,950)	(1,364)	-	-	-
PIE tax payable	(6,441)	(4,151)	(10,327)	(4,988)	(4,427)
Total liabilities (excluding net assets attributable to members)	(66,011)	(15,966)	(21,371)	(10,152)	(8,006)
Net assets attributable to members	2,479,436	2,141,330	1,311,221	928,346	715,042



The Directors
Kiwi Wealth Limited
Level 4, 109 Featherston Street
WELLINGTON 6143

31 August 2016

Dear Directors

Report of the Independent Auditors for Inclusion in the Annual Report

The accompanying summary financial statements on pages 20 to 22 which comprise the summary statements of net assets as at 31 March 2012, 2013, 2014, 2015 and 2016, the summary statements of changes in net assets for the years then ended, and related notes, are derived from the audited financial statements of the Kiwi Wealth KiwiSaver Scheme (the "Scheme") for the years ended 31 March 2012, 2013, 2014, 2015 and 2016.

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 2016 was completed on 6 July 2016 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.

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 2012, 2013, 2014, 2015 and 2016, 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 and providers of related assurance services, we have no relationships 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 2012, 2013, 2014, 2015 and 2016 on pages 20 to 22 as required by clause 4(3)(b)(ii) of Schedule 1A of the KiwiSaver Regulations 2009 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



Chartered Accountants
31 August 2016

Wellington

As at 31 March 2016, 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 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 current Product Disclosure Statement relating to the Scheme, from the Manager via its website www.kiwiwealth.co.nz or on request by calling 0800 427 384.

* The Scheme transitioned to the Financial Markets Conduct Act 2013 on 29 July 2016. The Scheme's trust deed, SIPO and financial statements are available on the Scheme's register at www.business.govt.nz/disclose. The current Product Disclosure Statement, fund updates (when available), other material information and summary of material contracts for the Scheme are available on the Offer Register at www.business.govt.nz/disclose.

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 2016 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 2016;
- (iv) there was no fee increase during the year ended 31 March 2016 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.

Allison Paterson
Director
Kiwi Wealth Limited



Date: 31 August 2016

Alistair Nicholson
Director
Kiwi Wealth Limited



Date: 31 August 2016

Trustee's statement

Public Trust certifies that, in respect of the year ended 31 March 2016, 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.

Ireen Muir
Senior Manager Client Services
Corporate Trustee Services
Public Trust



Date: 31 August 2016

Questions and complaints

Any questions? Direct any questions about the Scheme to:

Customer Services Team
Kiwi Wealth Limited
PO Box 10068
Level 4, 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 Public Trust at:

General Manager
Corporate Trustee Services
Public Trust
Level 9, 34 Shortland Street
PO Box 1598
Shortland Street
Auckland 1010
Phone: **0800 371 471**
Email: CTS.Enquiry@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 6011

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

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.

"...I love working out what infinitesimal percentage of Coca Cola, Microsoft or Google I've managed to own."

"...thank you for the excellent service I receive whenever I contact [your] Team."

"Many thanks for the service I have gotten from your scheme over the years. I would recommend you to anyone."

"Many thanks to you and all at Kiwi Wealth for [your] compassion and efficiency."

"I really appreciate the amazing turn-around and the fantastic help [from]...your team to answer my questions and provide clear info."

"Thanks for your clarity, transparency and for your great service."

"Thank you to your team whose efficiency and helpfulness helped make so much possible."

"I wanted to say a big thank you to you and your team, the process for withdrawing my KiwiSaver has been so straight forward and easy. I have heard many horror stories but you guys have provided timely and clear communication which has been really appreciated."

Kiwi Wealth KiwiSaver Scheme

Level 4 | 109 Featherston Street | FreePost 210729 |
PO Box 10068 | Wellington 6143 | New Zealand
Tel: 0800 427 384 | Fax: 64 4 473 0643 | questions@kiwiwealth.co.nz