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# InvestNow KiwiSaver Scheme

## Annual Report

For the accounting period ending 31 March 2023

20 July 2023

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## 1. Details of scheme

- Name: InvestNow KiwiSaver Scheme (“Scheme”)
- Type: KiwiSaver scheme
- Manager: FundRock NZ Limited (“we”, “us”, “our”)
- Supervisor: Public Trust
- Product Disclosure Statements (“PDS”): The latest PDSs are:
  - InvestNow KiwiSaver Scheme Australasian Shares Funds PDS, dated 13 April 2023
  - InvestNow KiwiSaver Scheme Cash and NZ Fixed Interest Funds PDS, dated 13 April 2023
  - InvestNow KiwiSaver Scheme Diversified Funds #1 PDS, dated 13 April 2023
  - InvestNow KiwiSaver Scheme Diversified Funds #2 PDS, dated 13 April 2023
  - InvestNow KiwiSaver Scheme Diversified Funds #3 PDS, dated 1 May 2023
  - InvestNow KiwiSaver Scheme Diversified Funds #4 PDS, dated 13 April 2023
  - InvestNow KiwiSaver Scheme FS Funds PDS, dated 13 April 2023
  - InvestNow KiwiSaver Scheme Global Fixed Interest Funds PDS, dated 13 April 2023
  - InvestNow KiwiSaver Scheme Global Shares Funds #1 PDS, dated 13 April 2023
  - InvestNow KiwiSaver Scheme Global Shares Funds #2 PDS, dated 13 April 2023
  - InvestNow KiwiSaver Scheme Global Shares Funds #3 PDS, dated 13 April 2023
  - InvestNow KiwiSaver Scheme Property Funds PDS, dated 13 April 2023

The offer is open for applications.

- Fund Updates: The latest fund updates for the thirty seven funds in the Scheme were dated 3 May 2023 and were for the period ended 31 March 2023.
- The financial statements, including the auditor’s report, for the Scheme for the Year ending 31 March 2023 have been lodged on the Disclose Register.

## 2. Information on contributions and scheme participants

### Membership

The table below provides a summary of the Scheme’s membership changes from 1 April 2022 to 31 March 2023 (“Period”) during the year:

	Number of members	Total Amount \$
Total number of contributing scheme participants at the start of the period	1,372	

Total number of non-contributing scheme participants at the start of the period	485	
<b>Total number of scheme participants at the start of the period</b>	<b>1,857</b>	<b>\$73,669,303</b>
Persons who became Scheme participants during the Period by reason of:		
Transfers from other schemes	1,314	
Other new members	145	
<b>Total new Scheme participants during the Period</b>	<b>1,459</b>	
Persons who ceased to be Scheme participants during the Period by reason of:		
Retirement	19	
Death	0	
Transfers to other schemes	109	
Other reasons	5	
<b>Total number who ceased to be Scheme participants during the Period</b>	<b>133</b>	
<b>Total number of Scheme participants as at 31 March 2023</b>	<b>3,165</b>	<b>\$146,266,785</b>
Number of contributing Scheme participants as at 31 March 2023	2,369	
Number of non-contributing participants as at 31 March 2023	796	

### Contributions

The Scheme received the following contributions during the Period:

	<b>Number of members to which the contributions relate</b>	<b>Total amount (\$) of contributions</b>
<b>Member contributions</b>		
Member contributions	2,390	\$7,246,230
Transfers from other KiwiSaver schemes	1,323	\$66,001,724
Transfers from other superannuation schemes	2	\$50,412
Transfers from Australian superannuation schemes	3	\$56,837
<b>Total member contributions</b>	<b>3,718</b>	<b>\$73,355,204</b>
<b>Employer or other sponsor contributions</b>		
Employer or other sponsor contributions	2,348	\$4,192,790
Crown contributions	2006	\$975,049
<b>Total employer or other sponsor contributions</b>	<b>4,354</b>	<b>5,167,839</b>
<b>Total Member voluntary additional contributions</b>	<b>569</b>	<b>954,016</b>
<b>Total contributions</b>	<b>8,641</b>	<b>79,477,059</b>

### 3. Changes relating to the scheme

#### Changes to the Trust Deed

There have been no material changes to the trust deed over the accounting period.

#### Changes to the terms of the offer of the Funds

The following details material changes to the nature of the Scheme, including changes to the investment objectives and strategies of the investment options offered to Scheme members.

#### 4 April 2022

- The InvestNow Milford Balanced Fund reduced its performance fee estimate from 0.02% p.a. to 0.01% p.a., and changed its target investment mix (Australasian shares from 25% to 24%, and International shares from 29% to 30%).
- The InvestNow Milford Active Growth Fund reduced its performance fee estimate from 0.20% p.a. to 0.15% p.a., and changed its target investment mix (Australasian shares from 38% to 34%, and International shares from 40% to 44%).
- The InvestNow Te Ahumairangi Global Equity Fund changed its target investment mix (Cash and cash equivalents from 0% to 2% and International shares from 100% to 98%).
- The InvestNow Harbour Active Growth Fund reduced its performance fee estimate from 0.19% p.a. to 0.00% p.a.
- The InvestNow Harbour Australasian Equity Focus Fund increased its performance fee estimate from 0.36% p.a. to 0.40% p.a.
- Eight funds offered within the Scheme were impacted by the change in the underlying funds' manager from AMP Investment Management (N.Z.) Limited to Macquarie Asset Management Public Investments (NZ) Limited. This resulted in changes to the fund names and estimated total annual fund charges of the eight funds, as summarised below:

Previous Fund Name	New Fund Name	Previous Estimated Total Annual Fund Charges	New Estimated Total Annual Fund Charges
InvestNow Australasian Property Index Fund	InvestNow Macquarie Australasian Property Index Fund	0.43%	0.82%
InvestNow AMP Capital Ethical Leaders Balanced Fund	InvestNow Macquarie Ethical Leaders Balanced Fund	1.27%	1.33%
InvestNow Ethical Leaders Hedged Global Fixed Interest Index Fund	InvestNow Macquarie Ethical Leaders Hedged Global Fixed Interest Index Fund	0.42%	0.44%
InvestNow AMP Capital NZ Cash Fund	InvestNow Macquarie NZ Cash Fund	0.26%	0.28%

InvestNow AMP Capital NZ Fixed Interest Fund	InvestNow Macquarie NZ Fixed Interest Fund	0.58%	0.59%
InvestNow NZ Shares Index Fund	InvestNow Macquarie NZ Shares Index Fund	0.31%	0.36%
InvestNow All Country Global Shares Index Fund	InvestNow Macquarie All Country Global Shares Index Fund	0.45%	0.42%
InvestNow AMP Capital Global Property Securities Fund	InvestNow Macquarie Global Listed Real Estate Fund	1.38%	1.34%

#### **4 November 2022**

- The InvestNow Clarity Global Shares Fund introduced a swing pricing adjustment of 0.09% to reflect the introduction of a swing pricing adjustment to its underlying fund.

#### **7 December 2022**

- The InvestNow Macquarie Australasian Property Index Fund was removed as an investment offering within the Scheme. This arose due to a change in the investment strategy of the underlying fund, which was changed from providing direct exposure to New Zealand and Australasian property securities, to indirect exposure to Australian property securities only. This reflected a change in the investment strategy of the underlying fund that did not align with an investment approach that the Scheme had envisaged offering in-line with Scheme members' best interests.

#### **30 December 2022**

- The InvestNow Smartshares Growth Fund changed its target investment mix (Cash and cash equivalents from 6% to 4%, NZ fixed interest from 5% to 8%, International fixed interest from 9% to 8%, International shares from 51% to 53%, Listed property from 5% to 4% and Other from 5% to 4%).

#### **21 February 2023**

- Two new funds were added to the Scheme: The InvestNow Foundation Series US 500 Fund and the InvestNow Foundation Series Total World Fund. In addition, the Scheme's disclosure material has been updated to reference use of entry and exit fees of 0.50% for the underlying fund's of the two new additions.

#### **7 March 2023**

- The InvestNow Castle Point 5 Oceans Fund reduced its estimated total annual fund charge from 1.41% p.a. to 1.31% p.a. to reflect an increase in the underlying fund's estimated annual management fee and other expenses from 1.09% p.a. to 1.10% p.a. and a decrease in the underlying fund's estimated performance fee from 0.32% p.a. to 0.21% p.a.
- The InvestNow Pathfinder Ethical Growth Fund's indicative buy/sell spread was updated from 0.05%/0.05% to N/A.

- Seven funds offered within the Scheme were impacted by the change in the underlying funds' manager from Macquarie Asset Management Public Investments (NZ) Limited to Mercer (N.Z) Limited. This resulted in changes to the fund names of four of the seven funds, as summarised below:

Previous Fund Name	New Fund Name
InvestNow Macquarie Ethical Leaders Balanced Fund	InvestNow Mercer Ethical Leaders Balanced Fund
InvestNow Macquarie Ethical Leaders Hedged Global Fixed Interest Index Fund	InvestNow Mercer Ethical Leaders Hedged Global Fixed Interest Index Fund
InvestNow Macquarie NZ Shares Index Fund	InvestNow Mercer NZ Shares Passive Fund
InvestNow Macquarie All Country Global Shares Index Fund	InvestNow Mercer All Country Global Shares Index Fund
InvestNow Macquarie NZ Cash Fund	InvestNow Macquarie NZ Cash Fund
InvestNow Macquarie NZ Fixed Interest Fund	InvestNow Macquarie NZ Fixed Interest Fund
InvestNow Macquarie Global Listed Real Estate Fund	InvestNow Macquarie Global Listed Real Estate Fund

### Changes to the Statement of Investment Policy and Objectives (SIPO)

Other than the material changes described above in terms of offer the Funds that would have been also been reflected within the SIPO on the same date, there were no other material changes to the governing documents, SIPO, management of the Scheme or terms of the offer of the managed investment products over the accounting period.

### Related party transactions

On 1 November 2022, Apex Investment Administration (NZ) Limited became a related party of the Manager by virtue of common ownership by Apex Fund Services NZ Limited.

Other than described above, there were no other material changes to the governing documents, SIPO, management of the Scheme or terms of the offer of the managed investment products over the accounting period.

There were no related party transactions entered into during the accounting period that were not on arm's-length terms.

## 4. Other information for particular types of managed funds

### Withdrawals

The number of scheme participants who made a withdrawal that is permitted under the Financial Markets Conduct Act 2013 and the governing document during the accounting period and the grounds on which those withdrawals were made are as follows:

Withdrawals	Total number of members
<b>Withdrawals during the Period by reason of:</b>	
Retirement	19
Death	0

Significant financial hardship	3
Serious illness	0
Life-shortening congenital condition	0
Mortgage diversion	0
First home withdrawal	32
Permanent emigration	4
Transfers to other KiwiSaver schemes	109
Transfer to Australian superannuation scheme	1
Payments – other enactments	0
<b>Total withdrawals</b>	<b>168</b>

*Investment Return of Scheme Property (by Fund)*

Fund	Inception date*	Return to 31 March 2023**
InvestNow Antipodes Global Fund - Long (PIE)		13.75%
InvestNow Castle Point 5 Oceans Fund		-1.77%
InvestNow Castle Point Trans-Tasman Fund		-4.94%
InvestNow Clarity Global Shares Fund		1.88%
InvestNow Fisher Funds Conservative Fund		-2.83%
InvestNow Fisher Funds Growth Fund		-4.02%
InvestNow Foundation Series Balanced Fund		-3.19%
InvestNow Foundation Series Growth Fund		-2.95%
InvestNow Foundation Series Total World Fund	17 February 2023	5.07%
InvestNow Foundation Series US 500 Fund	17 February 2023	3.52%
InvestNow Harbour Active Growth Fund		-6.24%
InvestNow Harbour Australasian Equity Focus Fund		-11.10%
InvestNow Harbour NZ Core Fixed Interest Fund		-0.86%
InvestNow Harbour T. Rowe Price Global Equity Growth Fund		-3.47%
InvestNow Hunter Global Fixed Interest Fund		-5.33%
InvestNow Macquarie Global Listed Real Estate Fund		-22.63%
InvestNow Macquarie NZ Cash Fund		3.22%
InvestNow Macquarie NZ Fixed Interest Fund		-1.34%
InvestNow Mercer All Country Global Shares Index Fund		-4.39%
InvestNow Mercer Ethical Leaders Balanced Fund		-4.67%
InvestNow Mercer Ethical Leaders Hedged Global Fixed Interest Index Fund		-6.09%
InvestNow Mercer NZ Shares Passive Fund		-1.30%
InvestNow Milford Active Growth Fund		-0.98%
InvestNow Milford Balanced Fund		0.09%
InvestNow Milford Conservative Fund		0.55%
InvestNow Mint Australasian Equity Fund		0.21%
InvestNow Mint Diversified Growth Fund		-5.82%
InvestNow Mint Diversified Income Fund		-2.01%
InvestNow Pathfinder Ethical Growth Fund		-2.70%
InvestNow Russell Investments Global Fixed Interest Fund		-5.22%
InvestNow Russell Investments Global Shares Fund		3.22%



InvestNow Russell Investments Hedged Global Shares Fund		-6.86%
InvestNow Russell Investments NZ Fixed Interest Fund		-1.14%
InvestNow Salt Enhanced Property Fund		-13.73%
InvestNow Salt NZ Dividend Appreciation Fund		0.05%
InvestNow Smartshares Growth Fund		-4.58%
InvestNow Te Ahumairangi Global Equity Fund		10.30%

\*Inception date if the fund commenced during the period

\*\*Calculated as the fund's annual return after fees before tax. If the fund's inception date is within the period then this is calculated as the fund's return after fees before tax since fund's first contribution.

### Manager's Statement

We as manager of the Scheme confirm that:

- a) all the 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
- b) the market value of the Scheme property at 31 March 2023 equalled or exceeded the total value of the 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 2023.

## 5. Changes to persons involved in the scheme

### Manager

FundRock NZ Limited (previously, Implemented Investment Solutions Limited) was the manager of the Scheme throughout the accounting period. There were no changes to directors and key personnel throughout the accounting period.

On 14 July 2022, Implemented Investment Solutions Limited had a change of control to Implemented Investment Solutions Holdings Limited.

On 1 November 2022, Apex Fund Services NZ Limited acquired 100% ownership of Implemented Investment Solutions Holdings Limited.

On 6 April 2023, the Manager changed its name to FundRock NZ Limited from Implemented Investment Solutions Limited.

### Supervisor

Public Trust was the supervisor of the Scheme throughout the accounting period. Public Trust does not have directors pursuant to the Companies Act 1993 but has board members pursuant to the Public Trust Act 2001. Vicki Ann Sykes ceased appointment as a board member on 31 October 2022. There were no other changes to the board members of the supervisor.

### Administration manager, investment manager, securities registrar and custodian

No changes occurred to the Scheme’s administration manager, investment manager, registrar or custodian throughout the accounting period.

Auditor

KPMG was the auditor of the Scheme throughout the accounting period.

## 6. How to find further information

Further information relating to the Scheme and the managed investment products (including the Trust Deed, Scheme Establishment Deed, financial statements, SIPO, PDSs and other material information document) is available on the offer register and the scheme register at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz). A copy of information on the offer register or scheme register is available on request to the Registrar of Financial Service Providers.

Additional information on the underlying funds that each fund within the Scheme invests into, may also be available on underlying fund managers’ websites.

You can also obtain the following information free of charge:

Information	How to obtain
Fund information relevant to you	You can inspect documents we hold that are relevant to you, and other documents that are legally required to be provided to you, at our offices during normal business hours, or request an extract of those documents, by written request to us.
Fund updates	Once available, the fund updates for the funds in the scheme will be publicly available from our website ( <a href="https://www.fundrock.com/fundrock-new-zealand/">https://www.fundrock.com/fundrock-new-zealand/</a> ), or the Investnow website ( <a href="http://www.investnow.co.nz/kiwisaver-disclosure-material">www.investnow.co.nz/kiwisaver-disclosure-material</a> ) and can be requested from us.

If you invest directly into the Scheme, we will send you confirmation information relating to your transactions when units are issued to you, as well as when you withdraw or transfer your units and make available to you an annual report in respect of the Scheme.

You will also be sent an annual tax statement, which will include the amount of PIE income allocated to you and the amount of tax paid at your chosen PIR. You will also be asked to confirm your IRD number and PIR.

You can find general information about the Scheme and us on our website.

## 7. Contact details and complaints

### *Contact details*

The manager can be contacted at:

FundRock NZ Limited  
Level 2, Woodward House  
1 Woodward Street  
PO Box 25003  
Wellington 6140

Attention: Anthony Edmonds – Managing Director  
Telephone: (04) 499 9654  
Email: [contact@iisolutions.co.nz](mailto:contact@iisolutions.co.nz)

Please contact Anthony Edmonds with any queries or complaints regarding the Scheme.

The supervisor can be contacted at:

General Manager  
Corporate Trustee Services  
Public Trust  
Private Bag 5902  
Wellington 6140

Telephone: 0800 371 471  
Email: [CTS.Enquiry@PublicTrust.co.nz](mailto:CTS.Enquiry@PublicTrust.co.nz)

Link Market Services provides securities registrar services and can be contacted at:

Level 30, PwC Tower  
15 Customs Street West  
Auckland 1010

Telephone: 09 375 5998  
Email: [enquiries@linkmarketservices.co.nz](mailto:enquiries@linkmarketservices.co.nz)

### *Complaints*

Any complaints or problems with the investment should be directed to us (using our contact details above) for resolution through our internal dispute resolution process.

If you are not satisfied with the outcome of your complaint to us, you may refer the matter to the supervisor for resolution through its internal dispute resolution process:

Call: 0800 371 471 during normal business hours  
Write to: General Manager Corporate Trustee Services  
Public Trust  
Private Bag 5902  
Wellington 6140

The supervisor is a member of an approved dispute resolution scheme operated by Financial Services Complaints Limited ('FSCL') - A Financial Ombudsman Service. If your complaint to the supervisor has not been resolved, you can refer it to FSCL by phoning 0800 347 257 or writing to:

Financial Services Complaints Limited - A Financial Ombudsman Service  
PO Box 5967  
Wellington 6140

Telephone: 0800 347 257  
Email: [complaints@fscl.org.nz](mailto:complaints@fscl.org.nz)

The FSCL scheme is an independent external ombudsman and dispute resolution service that has been approved by the Minister of Consumer Affairs under the Financial Service Providers (Registration and Dispute Resolution) Act 2008. FSCL will not charge a fee to any complainant to investigate or resolve a complaint.

If your complaint is not able to be resolved through our internal dispute resolution process or that of the supervisor you may refer your complaint to the dispute resolution scheme operated by the Insurance and Financial Services Ombudsman, an approved dispute resolution scheme under the Financial Service Providers (Registration and Dispute Resolution) Act 2008. We are a registered financial service provider and member of this scheme. The Insurance and Financial Services Ombudsman's service is provided at no cost to you (the scheme will not charge a fee to any complainant to investigate or resolve a complaint). The contact details for the dispute resolution scheme is:

Insurance and Financial Services Ombudsman  
Level 2, Solnet House  
70 The Terrace  
PO Box 10-845  
Wellington 6143

Telephone: 0800 888 202  
Email: [info@ifso.nz](mailto:info@ifso.nz)