

# ANZ DEFAULT KIWISAVER SCHEME

ANNUAL REPORT  
FOR THE YEAR ENDED  
31 MARCH 2021

MANAGER:  
ANZ NEW ZEALAND  
INVESTMENTS LIMITED

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## CHOOSING THE RIGHT FUND IS IMPORTANT FOR YOUR FUTURE!

It's important to ensure you're invested in the fund that best meets your needs.

If you haven't already, we encourage you to consider your fund choice and take action, recognising that it could make a significant difference to your retirement savings.

Use our risk profile tool to identify your tolerance for risk, so you can decide which fund is right for you.

If you'd like to switch funds, use ANZ Internet Banking to make the change. Or call us on 0800 736 034 between 8am and 6pm, Monday to Friday.



[anz.co.nz/riskprofiletool](https://anz.co.nz/riskprofiletool)

# WELCOME

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

It's been an extraordinary year.

We've all been impacted in some way by the effects of the global pandemic, and many are still doing it tough. However, we continue to be reminded how lucky we are to live in New Zealand at this time.

Economies were impacted to varying degrees as COVID-19 began to spread around the world. This was driven largely by the different responses of countries to the health emergency in those early days.

Global equity markets began to succumb in February of 2020, with the largest falls recorded in March 2020. This meant investment balances with a higher proportion of growth assets (shares and property) began the new financial year at noticeably lower levels.

## **A record-breaking rebound for growth assets**

While volatility remained elevated throughout the year, share markets began a strong recovery as significant fiscal and monetary support from governments and central banks boosted investor sentiment. Over the remainder of the year, most major share markets even surpassed their previous highs.

In the scheme, those funds invested in growth assets posted very strong gains for the year – although, as mentioned, this was off a low starting base.

Meanwhile, it was less favourable for fixed interest assets. The swift upturn in the economic outlook – thanks in part to progress on a COVID-19 vaccine – meant bond yields moved higher and inflation expectations rose.

Against this backdrop, funds with a higher allocation to fixed interest or cash underperformed funds with a higher allocation to growth assets.

Even now, with some countries experiencing second and third waves of the virus, uncertainty remains high. It's a good reminder that ups and downs should always be expected as a part of investing.

## **Strength from adversity**

During the lockdowns in New Zealand last year, and earlier this year, I was really proud of how our team responded to the needs of members. We were all required to develop new ways of working to get things done and there were some amazing examples of ingenuity and collaboration to find solutions.

## **Award-winning performance**

During the year, we were proud to receive the 2020 Good Returns Fund Manager of the Year Award – Powered by Research IP\*.

In the words of Research IP, this achievement "recognises ANZ Investments' long history of strong governance, industry best practice and performance over the 12-month judging period".

\* See inside back cover for awards disclaimer, and [anz.co.nz/investmentawards](http://anz.co.nz/investmentawards) for full awards and ratings history.

### **Default provider status**

From 1 December 2021, ANZ Investments will no longer be a KiwiSaver default provider. If you've already made an active choice to join or select a particular fund within the ANZ Default KiwiSaver Scheme, the change to our default provider status doesn't affect your KiwiSaver account at all. You'll continue to be invested in the fund you selected, and enjoy all the benefits that come with it.

ANZ Investments has been a default provider since KiwiSaver began in 2007 and we're proud to have played our part in the success it has become. We remain committed to making KiwiSaver a success and helping New Zealanders prepare for a more secure financial future. We're currently working through plans to transition out of being a default provider on 1 December 2021.

### **Fund choice remains key**

Finally, I'd like to highlight that a Financial Markets Authority report\*\* tells us a number of KiwiSaver members who switched to lower-risk funds during the volatility last year have not switched back.

I encourage you to check you're in the right fund for you – based on your age, stage in life and tolerance for risk. The cost of staying in the wrong fund for too long could be significant, in terms of returns, over the long term.

An ANZ financial adviser can provide you with free advice, tailored to your individual situation and savings goals.

To speak with an ANZ financial adviser, call our Wealth Direct team on 0800 269 238.

Thank you for investing with us. We look forward to helping you achieve your savings goals – and the retirement you dream of.



### **Grant Hodder**

Acting General Manager  
Wealth Products & Performance

On behalf of the manager,  
ANZ New Zealand Investments Limited

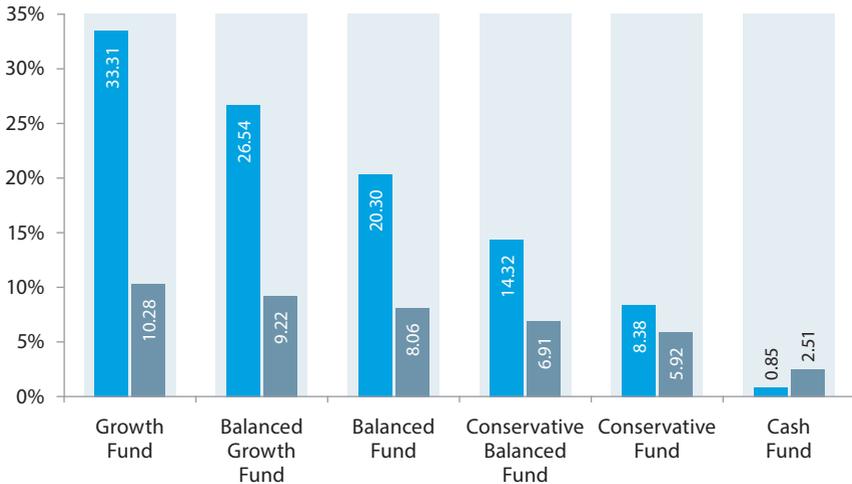
\*\* *Lockdown: A review of KiwiSaver member behaviour in response to COVID-19*, a report prepared by PwC for the Financial Markets Authority.

# FUND PERFORMANCE AS AT 31 MARCH 2021

In this chart:

- the first bar in each pair shows the percentage return for the year to 31 March 2021
- the second bar in each pair shows the average yearly percentage return earned by the fund over 10 years.

## ANZ Default KiwiSaver Scheme\*



For the year ended 31 March 2021
  Annualised investment performance over 10 years

\* All performance is after the annual fund charge and before tax. This is represented by changes in the unit price plus any applicable tax credits. Past performance is not indicative of future performance. Performance can be negative as well as positive.

## DETAILS OF SCHEME

### NAME OF THE SCHEME

ANZ Default KiwiSaver Scheme  
(the **scheme**)

### TYPE OF SCHEME

KiwiSaver scheme

### MANAGER

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

### SUPERVISOR

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

### PRODUCT DISCLOSURE STATEMENT

The scheme's latest product disclosure  
statement is dated 15 May 2020 and has  
an 'open for applications' status.

### FUND UPDATES

The scheme's latest fund updates for  
the quarter ended 30 June 2021 were  
made publicly available on 28 July 2021.  
These are available on the offer register at  
[disclose-register.companiesoffice.govt.nz](https://disclose-register.companiesoffice.govt.nz)  
and at [anz.co.nz/kiwisaverperformance](https://anz.co.nz/kiwisaverperformance).

### FINANCIAL STATEMENTS AND AUDITOR'S REPORT

The scheme's latest financial statements  
for the year ended 31 March 2021, and  
the auditor's report on those financial  
statements, were dated 28 July 2021 and  
were lodged with the Registrar on 30 July  
2021. See page 11 for more details.

## INFORMATION ON CONTRIBUTIONS AND SCHEME PARTICIPANTS

The information in this document relates to the year from 1 April 2020 to 31 March 2021 (the year).

### MEMBERSHIP

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

Membership movements	Number of members	Total amount (\$000)
<b>Members at the start of the year</b>		
– Contributing members	48,149	
– Non-contributing members	39,303	
<b>Total scheme members at 1 April 2020</b>	<b>87,452</b>	
Total members' savings at 1 April 2020		1,653,774
<b>Plus new members</b>		
– Transfers from other schemes	3,705	
– Other new members	5,450	
<b>Total new members during the year</b>	<b>9,155</b>	
<b>Less exited members</b>		
– Retirement	567	
– Death	100	
– Transfers to other schemes	8,234	
– Other reasons	612	
<b>Total members exited during the year</b>	<b>9,513</b>	
<b>Scheme members at 31 March 2021</b>		
– Contributing members	48,306	
– Non-contributing members	38,788	
<b>Total scheme members at 31 March 2021</b>	<b>87,094</b>	
Total members' savings at 31 March 2021		1,971,672

## (CONTINUED)

### CONTRIBUTIONS

The table below provides a summary of the contributions received during the year.

Contribution type	Number of members	Total amount (\$000)
Member employee contributions	58,657	131,062
Employer contributions	60,865	76,851
Government contributions	54,209	23,228
Transfers from other KiwiSaver schemes	3	3
Transfers from Australian superannuation schemes	53	1,939
Member voluntary contributions	23,413	27,601
<b>Total contributions</b>		<b>260,684</b>

### CHANGES RELATING TO THE SCHEME

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

#### CHANGES TO THE TERMS OF THE OFFER

From 1 April 2020:

- members aged 65 years or over and still bound by the five-year membership lock-in period can 'opt out' and make a retirement withdrawal\*
- members with a life-shortening congenital condition can apply to withdraw their savings before the age of 65\*, and
- we may be notified of member prescribed investor rate (PIR) changes by Inland Revenue. Members can subsequently provide us with a different PIR if they believe the PIR Inland Revenue provided is incorrect.

From 15 May 2020, the membership fee for members over 65 years of age was removed.

\* Members who elect to opt out and make a retirement withdrawal or members who make a life-shortening congenital conditions withdrawal will no longer be eligible for Government contributions or compulsory employer contributions.

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

The SIPO was updated on 15 May 2020 to reflect:

- the addition of a new underlying fund, the ANZ Wholesale International Aggregate Bond Fund in the international fixed interest asset class within our multi-asset-class funds. The fund is externally managed by PIMCO Australia Pty Limited, and invests in a broad mix of investment grade fixed interest securities
- the addition of a new underlying fund, the ANZ Wholesale New Zealand Fixed Interest Fund in the New Zealand fixed interest asset class, to invest in a broad mix of New Zealand investment grade fixed interest securities including the potential for a small portion of Australian investment grade fixed interest securities, and
- non-material changes to some fund descriptions, investment objectives and market indices.

The SIPO was updated on 15 October 2020 to reflect:

- the appointment of Northern Trust Investments, Inc. for the management of a portion of the international fixed interest asset class, replacing Vanguard Investments Australia Limited
- the appointment of Northern Trust Investments, Inc. for the management of the international equities class for the Conservative Fund, replacing Vanguard Investments Australia Limited
- that we maintain a liquidity risk management framework that includes strategies and controls to manage liquidity risk, and
- a change to the market indices for the New Zealand fixed interest and Australasian equities asset classes.

The SIPO was also updated on 28 June 2021 to reflect:

- the addition of two new underlying funds in the international fixed interest asset class: the ANZ Wholesale Australian Sovereign Fund and the ANZ Wholesale Australian Credit Fund, and
- non-material changes to some target investment mixes, ranges and market indices.

## **CHANGES TO THE NATURE OR SCALE OF THE RELATED PARTY TRANSACTIONS**

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

## OTHER INFORMATION FOR PARTICULAR TYPES OF MANAGED FUNDS

### WITHDRAWALS

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

Withdrawal reason	Number of members	Total amount (\$000)
Transfers to other KiwiSaver schemes	4,484	98,381
First home withdrawals*	933	26,355
Retirement withdrawals	1110	25,772
Significant financial hardship	407	3,404
Death	103	2,093
Serious illness	57	1,537
Permanent emigration	48	1,078
Transfers to Australian superannuation schemes	49	1,023
Invalid enrolment withdrawals and late opt-outs	462	656
Release required under other enactments	4	95
Life-shortening congenital conditions withdrawals	0	0
Mortgage diversion withdrawals	0	0
<b>Total withdrawals</b>		<b>160,394</b>

\* includes second chance home withdrawals

## UNIT PRICES

Investment fund	Unit price (\$) at 31 March 2020	Unit price (\$) at 31 March 2021
Growth Fund	1.7861	2.3759
Balanced Growth Fund	1.8135	2.2907
Balanced Fund	1.8188	2.1850
Conservative Balanced Fund	1.8257	2.0851
Conservative Fund	1.8561	2.0104
Cash Fund	1.4858	1.4985

## MANAGER'S STATEMENT

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

- all benefits required to be paid from the scheme in accordance with the terms of the governing document and the KiwiSaver scheme rules have been paid, and
- the market value of the scheme property at 31 March 2021 equalled or exceeded the total value of benefits that would have been payable had all members of the scheme ceased to be members at that date and had provision been made for the continued payment of all benefits being paid to members and other beneficiaries as at 31 March 2021.

# CHANGES TO PERSONS INVOLVED IN THE SCHEME

## MANAGER

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

### Directors of the manager

The directors of the manager as at 31 March 2021 were:

- Philippa Jane Dunphy
- Peter Houghton
- Benjamin Paul Kelleher
- Anna Marion Molloy
- Craig Andrew Mulholland
- Annis Gail O'Brien

The following changes to the directors of the manager occurred during the year:

- Philippa Jane Dunphy was appointed as a director on 1 September 2020.
- Peter Houghton was appointed as a director on 1 September 2020.
- Anna Marion Molloy was appointed as a director on 1 September 2020.
- Paul Robert Daley resigned as a director on 6 November 2020.

The following changes have occurred since 31 March 2021:

- Craig Andrew Mulholland resigned as a director on 30 June 2021.
- Paul Gavin White was appointed as a director on 12 July 2021.
- Philippa Jane Dunphy resigned as a director on 24 July 2021.

### Key personnel of the manager

The following changes occurred during the year:

- Keren Roberts ceased being the General Manager Wealth Operations on 6 April 2020.

- Grant Hodder was appointed as Acting General Manager Wealth Operations on 6 April 2020.
- Mark Davies ceased being the General Manager Funds on 16 November 2020.
- Grant Hodder was appointed as Acting General Manager Funds (in addition to his role as Acting General Manager Wealth Operations) on 16 November 2020.

The following changes have occurred since 31 March 2021:

- Grant Hodder ceased being the Acting General Manager Wealth Operations on 27 April 2021.
- Andrew Beattie was appointed as Acting General Manager Wealth Operations on 27 April 2021.
- Craig Mulholland ceased being Managing Director Wealth & Private Bank on 30 June 2021.
- Stewart Taylor was appointed as Acting Managing Director Funds Management on 1 July 2021.

## SUPERVISOR

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

### Directors of the supervisor

The following changes to the directors of the supervisor occurred during the year:

- Bryan David Connor was appointed as a director on 31 August 2020.

## AUDITOR

KPMG was the auditor of the scheme throughout the year.

## HOW TO FIND FURTHER INFORMATION

### ON DISCLOSE

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

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

 [disclose-register.companiesoffice.govt.nz](https://disclose-register.companiesoffice.govt.nz)

- Click 'Search for an offer' and search for 'ANZ Default KiwiSaver Scheme'

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

 [disclose-register.companiesoffice.govt.nz](https://disclose-register.companiesoffice.govt.nz)

- Click 'Search for a scheme' and search for 'ANZ Default KiwiSaver Scheme'

### ON OUR WEBSITE

Other valuable information and resources to help you manage your investment – including transaction forms, fund performance, unit prices, a quarterly market review and fund reports – are available at:

 [anz.co.nz/kiwisaver](https://anz.co.nz/kiwisaver)

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

## CONTACT DETAILS AND COMPLAINTS

### MANAGER

#### ANZ New Zealand Investments Limited

Freepost 324  
PO Box 7149, Victoria Street West  
Auckland 1142

Attn: KiwiSaver and Investments team

 0800 736 034 or +64 9 356 4000

 [service@anzinvestments.co.nz](mailto:service@anzinvestments.co.nz)

### SUPERVISOR AND CUSTODIAN

#### The New Zealand Guardian Trust Company Limited

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

 +64 9 909 5100

 [ct-auckland@nzgt.co.nz](mailto:ct-auckland@nzgt.co.nz)

### IF YOU HAVE A COMPLAINT

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

If you don't have a financial adviser, or your financial adviser has been unable to help you, please let us know using the contact details above. As the manager of the scheme, we're committed to resolving your complaint as quickly as possible. Our complaints process is set out in full at [anz.co.nz](http://anz.co.nz).

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

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

#### The manager's dispute resolution scheme

##### The Banking Ombudsman Scheme

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

 0800 805 950

 [help@bankomb.org.nz](mailto:help@bankomb.org.nz)

#### The supervisor's dispute resolution scheme

##### Financial Services Complaints Limited

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

 0800 347 257

 [info@fscl.org.nz](mailto:info@fscl.org.nz)

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

Fund Manager of the Year Awards were announced by Good Returns Powered by Research IP on 4 December 2020. These awards should not be read as a recommendation by Research IP. For further advice on the relevance of this award to your personal situation, please consult your financial adviser, or visit [research-ip.com/awards](https://research-ip.com/awards).

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

