

ONEANSWER KIWISAVER SCHEME

ANNUAL REPORT
FOR THE YEAR ENDED
31 MARCH 2020

MANAGER:
ANZ NEW ZEALAND
INVESTMENTS LIMITED

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WELCOME

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

It was a volatile year for investors as the COVID-19 (coronavirus) outbreak saw global equity markets fall sharply in March, which weighed on funds with a higher proportion of shares. However, it was a good year for bonds as a series of interest rate cuts and accommodative monetary policy from central banks to support the global economy saw bonds in strong demand. Against this backdrop, funds with a higher proportion of bonds and cash recorded solid gains.

Your scheme provider

We're proud to have been awarded Morningstar's Overall New Zealand Fund Manager of the Year award and the KiwiSaver Fund Manager of the Year award for 2020¹. The annual Morningstar Awards recognise the best of the New Zealand fund management profession that have made substantial contributions to investors' success as selected by Morningstar's research analysts.

I'm also pleased to highlight the following:

- On 15 May 2020, we removed the membership fee for members aged over 65.
- The scheme was awarded a Platinum rating for the sixth year running by research company SuperRatings Pty Ltd¹. Platinum is the highest rating available.

- We have introduced international listed infrastructure as a new asset class for our multi-asset-class funds, and have appointed an external fund manager to manage these assets.

Responsible investment

We have completed our second annual round of reporting requirements for the Principles for Responsible Investment (PRI). In 2019 we scored at or above the peer median across all categories reported on through the PRI.

We've also introduced a climate change framework, which guides our investment approach on managing the risks and opportunities that climate change presents. As part of the framework, we've excluded companies that derive more than 10% of their revenue from the production of thermal coal or from the production of oil and gas from unconventional sources (for example, shale oil extraction).

We've also excluded companies that derive 5% or more of their revenue from adult entertainment and those involved with whaling and whale meat processing.

¹ See inside back cover for ratings disclaimers and see anz.co.nz/OA-investmentsawards for full awards and ratings history.

Changes to KiwiSaver

Some changes were made to KiwiSaver in 2020. From 1 April:

- All members aged 65 and over can make a retirement withdrawal as members can opt out of the five-year membership lock-in period.
- A new withdrawal category was introduced, allowing people with a life-shortening congenital condition to apply to withdraw their savings before the age of 65.
- We may be notified of prescribed investor rate (PIR) changes. If Inland Revenue believes you're on an incorrect PIR, they may provide us with an updated PIR for you. We will update your KiwiSaver account with the new PIR. You can subsequently provide us with a different PIR if you believe the PIR Inland Revenue provided is incorrect.

From 15 May:

- If you're aged between 18 and 65, your annual account statement may include an estimate of what your balance and weekly withdrawal amount may be at retirement. These are based on assumptions set by the Government.

Thank you for investing with us. We want you to feel confident your savings are working every bit as hard as you do – now and in the future.



Mark Davies
General Manager Funds

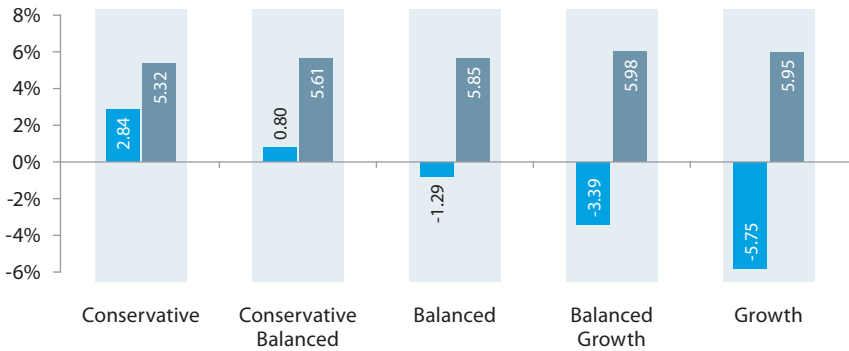
On behalf of the manager,
ANZ New Zealand Investments Limited

ANNUAL INVESTMENT PERFORMANCE

In these charts:

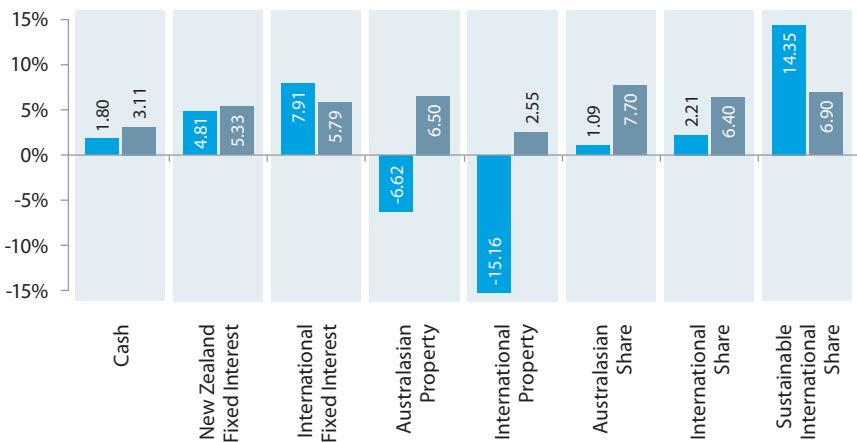
- the first bar in each pair shows the percentage return for the year to 31 March 2020
- the second bar in each pair shows the average yearly percentage return earned by the fund since launch.

OneAnswer KiwiSaver Scheme – Multi-Asset-Class Funds*



For the year ended 31 March 2020
 Annualised investment performance since launch

OneAnswer KiwiSaver Scheme – Single-Asset-Class Funds*



For the year ended 31 March 2020
 Annualised investment performance since launch

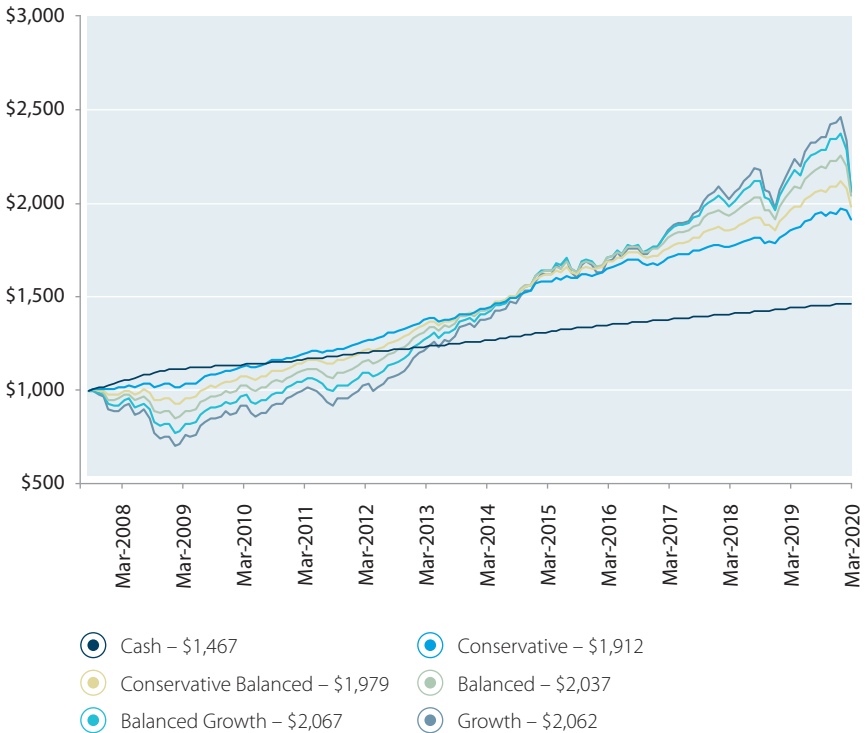
INVESTMENT PERFORMANCE SINCE LAUNCH

In these charts, each line represents the growth of \$1,000 invested in the fund at launch. For example, an investment of \$1,000 in the Balanced Fund on 1 October 2007 (with no further contributions made) would have grown to \$2,037 by 31 March 2020.

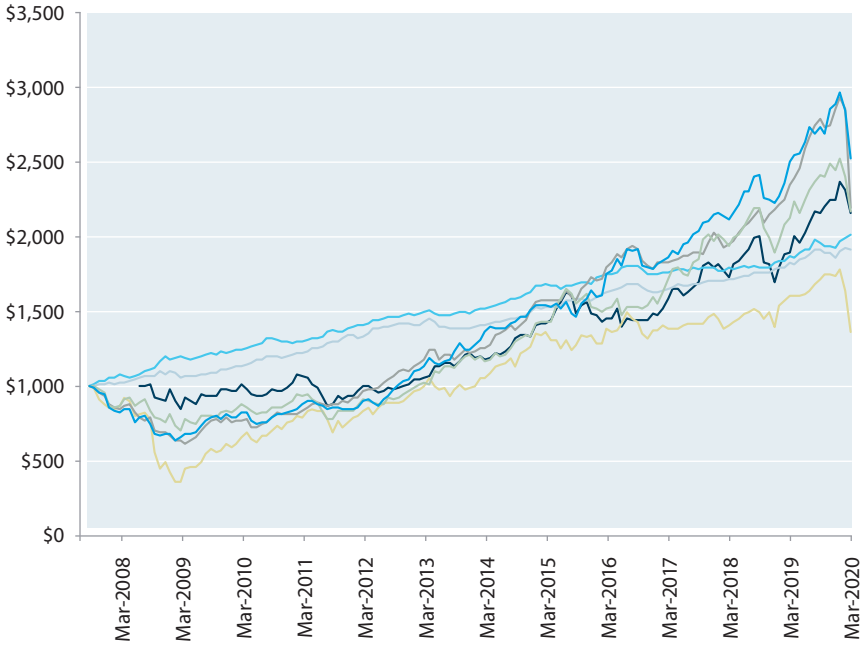
The charts also show how the funds with a larger allocation to growth assets generally have larger movements up and down in value.

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

OneAnswer KiwiSaver Scheme – Multi-Asset-Class Funds*



OneAnswer KiwiSaver Scheme – Single-Asset-Class Funds*



- Sustainable International Share – \$2,169
- International Fixed Interest – \$2,021
- New Zealand Fixed Interest – \$1,916
- International Property – \$1,371
- Australasian Property – \$2,198
- International Share – \$2,174
- Australasian Share – \$2,530

*All performance is after the annual fund charge and before tax. This is represented by changes in the unit price plus any applicable tax credits. Past performance is not indicative of future performance. Performance can be negative as well as positive. The launch date for all funds, except the Sustainable International Share Fund, was 1 October 2007. The Sustainable International Share Fund launched on 25 August 2008.

DETAILS OF SCHEME

NAME OF THE SCHEME

OneAnswer KiwiSaver Scheme
(the **scheme**)

TYPE OF SCHEME

KiwiSaver scheme

MANAGER

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

SUPERVISOR

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

PRODUCT DISCLOSURE STATEMENT

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

FUND UPDATES

The scheme's latest fund updates for
the quarter ended 30 June 2020 were
made publicly available on 27 July 2020.
These are available on the offer register at
disclose-register.companiesoffice.govt.nz
and at anz.co.nz/OA-kiwisaverperformance.

FINANCIAL STATEMENTS AND AUDITOR'S REPORT

The scheme's latest financial statements
for the year ended 31 March 2020, and
the auditor's report on those financial
statements, were dated 27 July 2020 and
were lodged with the Registrar on 29 July
2020. See page 14 for more details.

INFORMATION ON CONTRIBUTIONS AND SCHEME PARTICIPANTS

The information in this document relates to the year from 1 April 2019 to 31 March 2020 (the year)².

MEMBERSHIP

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

Membership movements	Number of members	Total amount (\$000)
Members at the start of the year		
– Contributing members	41,928	
– Non-contributing members	23,242	
Total scheme members at 1 April 2019	65,170	
Total members' savings at 1 April 2019		2,252,827
Plus new members		
– Transfers from other schemes	451	
– Other new members	1,664	
Total new members during the year	2,115	
Less exited members		
– Retirement	707	
– Death	77	
– Transfers to other schemes	3,329	
– Other reasons	172	
Total members exited during the year	4,285	
Scheme members at 31 March 2020		
– Contributing members	39,206	
– Non-contributing members	23,794	
Total scheme members at 31 March 2020	63,000	
Total members' savings at 31 March 2020		2,251,935

² The numbers of contributing members, non-contributing members and total scheme members at 31 March 2019 in the scheme's annual report for the year to 31 March 2019 were incorrect. The correct numbers are set out above under 'Members at the start of the year'.

INFORMATION ON CONTRIBUTIONS AND SCHEME PARTICIPANTS (CONTINUED)

CONTRIBUTIONS

The table below provides a summary of the contributions received during the year by way of:

Contribution type	Number of members	Total amount (\$000)
Member employee contributions	40,950	111,420
Employer contributions	40,825	58,553
Government contributions	43,360	20,235
Transfers from other KiwiSaver schemes	477	16,963
Transfers from Australian superannuation schemes	120	4,667
Member voluntary contributions	12,395	50,194
Total contributions		262,032

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 OFFER

The following changes were made to the terms of offer:

From 1 April 2019:

- Two new contribution rates were added. Members can now contribute 6% or 10% of their before-tax pay via their employer, as alternatives to the 3%, 4% or 8% contribution options
- The term 'member tax credit' or 'MTC', was renamed 'Government contribution'
- The name 'contributions holiday' was renamed 'savings suspension', and the maximum time period for a savings suspension was shortened from five years to one year.

CHANGES RELATING TO THE SCHEME (CONTINUED)

From 1 July 2019:

- Anyone aged 65 and over is able to join KiwiSaver (subject to eligibility)
- The five-year membership lock-in period no longer applies for members aged 60-65 who join a KiwiSaver scheme for the first time. This means that when these members turn 65:
 - they will usually be able to withdraw their savings no matter how long they've been a member
 - they will not be eligible for Government contributions
 - their employer can also stop their contributions.

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

The SIPO was updated on 28 June 2019 to reflect:

- the addition of a new underlying fund, the ANZ Wholesale International Listed Infrastructure Fund under the Other Listed Infrastructure asset class, and the appointment of Maple-Brown Abbott as the external fund manager, and
- non-material changes to the target investment mixes, fund descriptions, investment objectives and some market indices.

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 and International Fixed Interest Fund. 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.

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	3,318	121,321
Retirement withdrawals	1,746	56,486
First home withdrawals ¹	676	22,090
Significant financial hardship	183	1,442
Death	77	2,653
Invalid enrolment withdrawals	75	139
Serious illness	54	1,976
Permanent emigration	45	967
Release required under other enactments	13	1,705
Transfers to Australian superannuation schemes	11	290
Mortgage diversion withdrawals	0	0
Total withdrawals		209,069

¹ includes second chance home withdrawals

UNIT PRICES

Investment fund	Unit price (\$) at 31 March 2019	Unit price (\$) at 31 March 2020
Growth Fund	2.0685	1.9438
Balanced Growth Fund	2.0262	1.9528
Balanced Fund	1.9549	1.9260
Conservative Balanced Fund	1.8630	1.8755
Conservative Fund	1.7655	1.8143
Cash Fund	1.4089	1.4343
New Zealand Fixed Interest Fund	1.7978	1.8842
International Fixed Interest Fund	1.7555	1.8941
Australasian Property Fund	2.1665	2.0080
International Property Fund	1.5260	1.2900
Australasian Share Fund	2.1875	2.1942
International Share Fund	2.0512	2.0911
Sustainable International Share Fund	1.8965	2.1687

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 2020 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 2020.

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 2020 were:

- Paul Robert Daley
- Benjamin Paul Kelleher
- Craig Andrew Mulholland
- Annis Gail O'Brien

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

- Ronald Bruce Macintyre resigned as a director of the manager on 2 December 2019.
- Antonia Margaret Watson resigned as a director of the manager on 23 March 2020.
- Benjamin Paul Kelleher was appointed as a director of the manager on 23 March 2020.

Key personnel of the manager

The following changes have taken place since 1 April 2019:

- 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.

SUPERVISOR

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

Directors of the supervisor

There were no changes to the directors of the supervisor during the year.

AUDITOR

KPMG was the auditor of the scheme throughout the year.

HOW TO FIND FURTHER INFORMATION

ON DISCLOSE

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

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

 **disclose-register.companiesoffice.govt.nz**

- Click Search Offers and search for 'OneAnswer KiwiSaver Scheme'

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

 **disclose-register.companiesoffice.govt.nz**

- Click Search Schemes and search for 'OneAnswer KiwiSaver Scheme'

ON OUR WEBSITE

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

 **anz.co.nz/OA-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, Wellesley Street
Auckland 1141

Attn: KiwiSaver and Investments team

 0800 736 034 or +64 9 356 4000

 service@anzinvestments.co.nz

SUPERVISOR AND CUSTODIAN

The New Zealand Guardian Trust Company Limited

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

 +64 9 909 5100

 ct-auckland@nzgt.co.nz

IF YOU HAVE A COMPLAINT

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

If you don't have a financial adviser, or your financial adviser has been unable to help you, please let us know using the contact details above. As the manager of the scheme, we're committed to resolving your complaint as quickly as possible.

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

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

The manager's dispute resolution scheme

The Banking Ombudsman

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

 0800 805 950

 help@bankomb.org.nz

The supervisor's dispute resolution scheme

Financial Services Complaints Limited

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

 0800 347 257

 info@fscl.org.nz

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

The ratings issued by SuperRatings Pty Ltd ABN 95 100 192 283 AFSL 311880 (SuperRatings) for ANZ KiwiSaver Scheme ('Gold' rating), ANZ Default KiwiSaver Scheme ('Gold' rating) and OneAnswer KiwiSaver Scheme ('Platinum' rating) are as of 03 October 2019. SuperRatings does not guarantee the data or content contained herein to be accurate, complete or timely nor will they have any liability for its use or distribution. Ratings are general advice or class advice only and are not a personalised financial adviser service under the Financial Advisers Act 2008. Ratings have been prepared without taking account of your objectives, financial situation or needs. Consider your personal circumstances, read the product disclosure statement and seek independent financial advice before investing. Refer to our Financial Services Guide (FSG) for more information at <https://www.superratings.com.au/important-documents/>. The rating is not a recommendation to purchase, sell or hold any product. Past performance information is not indicative of future performance. Ratings are subject to change without notice and SuperRatings assumes no obligation to update. SuperRatings uses objective criteria and receives a fee for publishing awards. Visit superratings.com.au for ratings information and to access the full report. © 2020 SuperRatings. All rights reserved.

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You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statement before making any decision to invest. Our publications, ratings and products should be viewed as an additional investment resource, not as your sole source of information. Past performance does not necessarily indicate a financial product's future performance. To obtain advice tailored to your situation, contact a professional financial adviser.

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

