



fisher funds 

FISHER FUNDS KIWISAVER SCHEME

2022 **FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2022

Including the following Funds:
Fisher Funds KiwiSaver **Growth Fund**
Fisher Funds KiwiSaver **Conservative Fund**

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**Fisher Funds KiwiSaver Scheme
For the year ended 31 March 2022**

Directory

Manager	Fisher Funds Management Limited
Registered Office	Level 1, Crown Centre 67-73 Hurstmere Road, Takapuna, Auckland, 0622
Investor and Advisor Enquiries	Private Bag 93 502 Takapuna, Auckland, 0740 Email: enquiries@fisherfunds.co.nz
Directors of the Manager	David Clarence Clarke (Chair) LLB Margaret Anne Blackburn BA, MA Edward Francis Sippel BA Guy Roper BBS, FCA Jennifer Clare Moxon BCom Michael Stuart Berk MBA Mark John Lazberger BCom, CFA
Licensed Supervisor	Trustees Executors Limited
Auditor	KPMG
Solicitors	Chapman Tripp

Fisher Funds KiwiSaver Scheme
As at 31 March 2022

Statements of Net Assets

Note	Growth Fund		Conservative Fund		Scheme Total	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Members' funds	<u>3,074,003</u>	<u>2,718,942</u>	<u>1,086,295</u>	<u>1,035,544</u>	<u>4,160,298</u>	<u>3,754,486</u>
<i>Represented by:</i>						
Current assets						
Cash and cash equivalents	34,087	42,018	11,604	11,649	45,691	53,667
Investments at fair value through profit or loss	3 (a) 2,989,946	2,662,575	1,054,240	985,135	4,044,186	3,647,710
Trade and other receivables	3,703	38,139	1,522	17,001	5,225	55,140
Related party receivables	4 (a)(iii) 276	211	128	98	404	309
PIE tax receivable on behalf of members	1,523	-	6,001	-	7,524	-
Total current assets	<u>3,029,535</u>	<u>2,742,943</u>	<u>1,073,495</u>	<u>1,013,883</u>	<u>4,103,030</u>	<u>3,756,826</u>
Non-current assets						
Investments at fair value through profit or loss	3 (a) 47,710	70,393	14,447	39,700	62,157	110,093
Total non-current assets	<u>47,710</u>	<u>70,393</u>	<u>14,447</u>	<u>39,700</u>	<u>62,157</u>	<u>110,093</u>
Total assets	<u>3,077,245</u>	<u>2,813,336</u>	<u>1,087,942</u>	<u>1,053,583</u>	<u>4,165,187</u>	<u>3,866,919</u>
Current liabilities						
Trade and other payables	755	42,501	851	13,740	1,606	56,241
Related party payables	4 (a)(iv) 2,487	34,778	796	816	3,283	35,594
PIE tax payable on behalf of members	-	17,115	-	3,483	-	20,598
Total liabilities	<u>3,242</u>	<u>94,394</u>	<u>1,647</u>	<u>18,039</u>	<u>4,889</u>	<u>112,433</u>
Net assets available for benefits	<u>3,074,003</u>	<u>2,718,942</u>	<u>1,086,295</u>	<u>1,035,544</u>	<u>4,160,298</u>	<u>3,754,486</u>

These financial statements were authorised for issue by the Manager, Fisher Funds Management Limited:

Director 

Date 30/06/2022

Director 

Date 30/06/2022

The accompanying notes form an integral part of these financial statements.

Fisher Funds KiwiSaver Scheme
For the year ended 31 March 2022

Statements of Changes in Net Assets

	Note	Growth Fund		Conservative Fund		Scheme Total	
		2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Income							
Interest income	6	861	781	312	503	1,173	1,284
Dividend and distribution income		1,385	1,558	670	705	2,055	2,263
Net changes in fair value of investments	3 (b)	50,055	655,100	(7,905)	93,548	42,150	748,648
Management fee rebates	4 (a)(i)	927	813	463	382	1,390	1,195
Other income/(expenses)		(3)	(26)	-	(8)	(3)	(34)
Total income		53,225	658,226	(6,460)	95,130	46,765	753,356
Expenses							
Management fees	4 (a)(ii)	28,800	22,550	9,353	8,353	38,153	30,903
Performance fees	4 (a)(ii)	12,893	35,151	-	-	12,893	35,151
Custody, unit pricing and accounting fees	4 (a)(ii)	120	102	52	55	172	157
Supervisor fees	4 (a)(ii)	469	372	170	154	639	526
Member communications		146	163	97	108	243	271
Auditor's fees - financial statements audit		11	9	11	9	22	18
Regulatory related expenses		148	99	55	43	203	142
Other expenses		3	8	1	4	4	12
Total expenses		42,590	58,454	9,739	8,726	52,329	67,180
Net profit/(loss) before membership activities		10,635	599,772	(16,199)	86,404	(5,564)	686,176
Membership activities							
Contributions	5	593,559	449,372	286,401	256,296	879,960	705,668
Withdrawals	5	(247,101)	(192,290)	(218,637)	(185,851)	(465,738)	(378,141)
Administration fees	4 (a)(ii)	(1,943)	(2,384)	(933)	(1,261)	(2,876)	(3,645)
PIE tax attributable to members		(89)	(18,166)	119	(4,469)	30	(22,635)
Net membership activities		344,426	236,532	66,950	64,715	411,376	301,247
Movements in members' funds for the year		355,061	836,304	50,751	151,119	405,812	987,423
Members' funds at the start of the year		2,718,942	1,882,638	1,035,544	884,425	3,754,486	2,767,063
Members' funds at the end of the year		3,074,003	2,718,942	1,086,295	1,035,544	4,160,298	3,754,486
Units on issue							
		Number '000	Number '000	Number '000	Number '000		
Units on issue at the start of the year		941,888	851,578	554,410	518,637		
Applications for units for the year		196,801	170,704	151,165	140,824		
Withdrawals for the year		(82,829)	(80,394)	(115,938)	(105,051)		
Units on issue at the end of the year		1,055,860	941,888	589,637	554,410		

The accompanying notes form an integral part of these financial statements.

Fisher Funds KiwiSaver Scheme
For the year ended 31 March 2022

Statements of Cash Flows

	Growth Fund		Conservative Fund		Scheme Total	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Cash flows from operating activities						
Cash was provided from:						
Sale of investments	879,341	340,043	300,931	158,020	1,180,272	498,063
Interest received	881	776	328	499	1,209	1,275
Dividends received	1,385	1,558	670	706	2,055	2,264
Other income	863	805	433	364	1,296	1,169
Cash was applied to:						
Purchase of investments	(1,139,695)	(574,897)	(350,394)	(219,815)	(1,490,089)	(794,712)
Expenses	(74,879)	(25,321)	(9,758)	(8,580)	(84,637)	(33,901)
Net settlement of derivatives	-	1,277	-	566	-	1,843
Net cash inflows/(outflows) from operating activities	(332,104)	(255,759)	(57,790)	(68,240)	(389,894)	(323,999)
Cash flows from financing activities						
Cash was provided from:						
Member contributions	592,991	448,733	286,580	257,102	879,571	705,835
PIE tax reclaim	-	1,918	-	-	-	1,918
Cash was applied to:						
Member withdrawals	(248,147)	(192,967)	(218,538)	(188,123)	(466,685)	(381,090)
PIE tax paid	(18,729)	-	(9,364)	(3,957)	(28,093)	(3,957)
Administration fees	(1,943)	(2,384)	(933)	(1,260)	(2,876)	(3,644)
Net cash inflows/(outflows) from financing activities	324,172	255,300	57,745	63,762	381,917	319,062
Net increase/(decrease) in cash and cash equivalents	(7,932)	(459)	(45)	(4,478)	(7,977)	(4,937)
Opening cash brought forward	42,018	42,466	11,649	16,125	53,667	58,591
Effect of exchange rate fluctuations	1	11	-	2	1	13
Ending cash carried forward	34,087	42,018	11,604	11,649	45,691	53,667
Reconciliation of net profit/(loss) to cash flows from operating activities						
Net profit/(loss) before membership activities	10,635	599,772	(16,199)	86,404	(5,564)	686,176
Non cash items						
Net unrealised changes in the fair value of investments	84,437	(614,142)	41,271	(77,748)	125,708	(691,890)
Unrealised foreign exchange losses/(gains) on cash at bank	(1)	(11)	-	(2)	(1)	(13)
	84,436	(614,153)	41,271	(77,750)	125,707	(691,903)
Movements in working capital						
Decrease/(increase) in trade and other receivables	34,436	771	15,479	1,373	49,915	2,144
Decrease/(increase) in related party receivables	(65)	2,691	(30)	(3,208)	(95)	(517)
Increase/(decrease) in trade and other payables	(41,746)	(776)	(12,889)	(2,268)	(54,635)	(3,044)
Increase/(decrease) in related party payables	(32,291)	47,820	(20)	1,934	(32,311)	49,754
Decrease/(Increase) in cost of underlying investments carried at fair value	(389,124)	(293,189)	(85,125)	(76,186)	(474,249)	(369,375)
	(428,790)	(242,683)	(82,585)	(78,355)	(511,375)	(321,038)
Items classified as financing activities						
Movements in payables/receivables attributable to financing activities	1,615	1,305	(277)	1,461	1,338	2,766
	1,615	1,305	(277)	1,461	1,338	2,766
Net cash inflows/(outflows) from operating activities	(332,104)	(255,759)	(57,790)	(68,240)	(389,894)	(323,999)

The accompanying notes form an integral part of these financial statements.

Fisher Funds KiwiSaver Scheme For the year ended 31 March 2022

Notes to the Financial Statements

1 About this report

(a) Reporting entity

The reporting entity is the Fisher Funds KiwiSaver Scheme ("the Scheme"). The Scheme is made up of two funds ("the Funds"):

- Fisher Funds Kiwisaver Growth Fund ("Growth Fund")
- Fisher Funds Kiwisaver Conservative Fund ("Conservative Fund")

The Scheme is a defined contribution scheme under the KiwiSaver Act 2006, which means that Members contribute to the Scheme over time and benefits payable depend on the amount of contributions made and any returns on contributions received. The Scheme is also registered as a Managed Investment Scheme in accordance with the Financial Markets Conduct Act 2013.

The Funds are Portfolio Investment Entities ("PIEs"), meaning income is taxed in the hands of the Members. The Manager attributes the taxable income of the Funds to Members based on their holding of units and pays tax on their behalf at their Prescribed Investor Rate. Tax payments/credits are transacted by cancellation or issue of units.

The results, position and cash flows reported for the Scheme is a simple aggregation of the results, position and cash flows of the Funds that make up the Scheme. All investments made with the monies of a Fund shall be held by the Supervisor as the exclusive property of that Fund and will not be used to meet any liabilities of any other Fund. As part of this aggregation process, inter-fund transactions are eliminated and PIE tax is disclosed net at the Scheme level.

(b) Statutory base

The Scheme is a reporting entity under the Financial Markets Conduct Act 2013 ("FMC Act") and is governed by the Governing Document dated 13 October 2016.

(c) Basis of preparation

The Scheme's financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP") and the New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") as applicable to for-profit entities and International Financial Reporting Standards ("IFRS").

The financial statements have been prepared in accordance with the provisions of the Governing Document, the FMC Act and the KiwiSaver Act.

All amounts are in New Zealand Dollars and have been rounded to the nearest one thousand dollars. The Scheme is domiciled and registered in New Zealand.

Investments are financial instruments measured at fair value through profit or loss. All other assets and liabilities are measured at amortised cost.

There are no new standards, amendments to standards or interpretations that are effective for the reporting period that have a material effect on the financial statements of the Scheme.

There are no new standards, amendments or interpretations that have been issued but are not yet effective that are expected to materially impact the Scheme's financial statements.

(d) Change of comparatives

Certain items have been reclassified from the Scheme's prior year financial report to conform to the current year's presentation basis. The reclassifications relate to the re-presentation of the Supervisor as a related party (refer to note 4 for further information).

(e) Member Funds

Units issued by the funds provide the members with the right to require redemption for cash at the value proportionate to the members' share in each Fund's net asset value.

The units qualify as 'puttable instruments' and are classified as equity as they are identical. Any owner changes in equity are presented in the membership activities section of the Statement of Changes in Net Assets, whereas any non-owner changes in equity are presented in the income section of the Statement of Changes in Net Assets.

(f) Material judgements and estimates

The material judgements and estimates in preparing these financial statements are the valuation of the Scheme's investments and categorisation of its assets and liabilities fair value hierarchy, which is described in Note 3.

(g) Covid-19

The impact of COVID-19 on the Scheme's financial statements was considered and, other than the Scheme's performance during the year, there have been no other impacts on the Scheme's financial reporting.

Fisher Funds KiwiSaver Scheme
For the year ended 31 March 2022

Notes to the Financial Statements

2 Risk (continued)

(b) Liquidity risk

Liquidity risk is the risk that the Scheme will experience difficulty in either realising assets or otherwise raising sufficient funds to satisfy commitments associated with investment liabilities and withdrawals by Members. Liquidity risk is managed by holding sufficient liquid investments to enable the Scheme to meet liabilities as they fall due and member withdrawals when requested. The Manager also monitors the Funds' portfolios and giving consideration to illiquid investments not readily and easily sold, to ensure there are sufficient liquid assets to cover outstanding liabilities of the Funds. Monies received from member contributions may be used to offset withdrawals and the Manager may in certain circumstances suspend withdrawals.

The Funds have an investment in the Fisher Institutional Property Fund ("FIPF"), as per Note 4(c). Units cannot be redeemed for a period of two years following issue, and if they are rolled over after this period, they are not redeemable for a further two year period. Two months' notice of redemption is required. The Manager may allow an earlier redemption in exceptional circumstances and units may be transferred with the Manager's approval. Investments in FIPF with a maturity greater than 12 months after the balance date have been presented as non-current assets in the Statements of Net Assets.

The Scheme manages its Members' funds as capital. All units in each Fund carry the same rights and preferences and restrictions. There are restrictions on withdrawals from any KiwiSaver Scheme as set out in the KiwiSaver Act 2006 and KiwiSaver Regulations 2006. The Supervisor may defer giving effect to a permitted withdrawal or any transfer out of the Scheme if the Supervisor determines that having regard to the realisation of assets required in order to make the withdrawal or transfer or the occurrence or existence of any other circumstance or event relating to the Scheme or generally, earlier withdrawal or transfer would be imprudent or is impracticable.

(c) Credit risk

Credit risk is the potential risk of financial loss resulting from the failure of counterparties to honour fully the terms and conditions of a contract with the Scheme. The Scheme minimises concentrations of credit risk by undertaking transactions with a number of counterparties on recognised and reputable exchanges. The Scheme could lose money if the issuer or guarantor of a fixed income security, or the counterparty to a derivatives contract, is unable or unwilling to make timely principal and/or interest payments, or to otherwise honour its obligations. Securities are subject to varying degrees of credit risk, which are often reflected in credit ratings. The Manager has assessed the impact of non-performance risk on the financial instruments subject to credit risk and determined that no adjustment to the fair value is required. The Manager minimises credit risks to the Scheme by performing reviews of each counterparty. All transactions in listed securities are paid for on delivery according to standard settlement instructions.

PIE funds indirectly subject the Scheme to credit risk by investing in cash, fixed interest investments and forward foreign exchange contracts. The maximum exposure for the Scheme to credit risk is represented by the carrying value of these financial instruments. The Scheme's investment in PIE funds, due to the risk and reward profile of those investments, are considered to be similar to an equity holding and are therefore not included in the credit risk sensitivity analysis.

The table below sets out the equivalent Standard and Poor's short term credit rating for cash and cash equivalents and long term credit ratings for bonds, swaps and forward foreign exchange contracts at fair value through profit or loss held by the Scheme:

		Growth Fund		Conservative Fund		Scheme Total	
		2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Credit Rating	AAA	-	37,938	-	27,439	-	65,377
	AA- to AA+	34,087	42,006	11,604	11,645	45,691	53,651
	A- to A+	-	12	-	4	-	16
		34,087	79,956	11,604	39,088	45,691	119,044

(d) Credit exposure

The Scheme's maximum exposure to credit risk at balance date in relation to each class of recognised asset is the carrying amount of those assets as indicated in the Statements of Net Assets. There is no exposure to any issuer which is greater than 5% of the Funds' net assets to any one counterparty (excluding PIE Funds which are detailed in Note 4(c)).

Fisher Funds KiwiSaver Scheme
For the year ended 31 March 2022

Notes to the Financial Statements

3 Investments at fair value through profit or loss

All investments are valued at fair value, with gains or losses recognised in the Statements of Changes in Net Assets. The Scheme classifies its investments at fair value through profit or loss upon initial recognition as the Scheme manages its investments based on their fair value and in accordance with the investment strategy. Purchases and sales of investments are recognised on the trade date, the date on which the Scheme commits to purchase or sell the investment.

(a) Composition of investments at fair value through profit or loss

	Growth Fund		Conservative Fund		Scheme Total	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000
PIE funds ¹	2,989,493	2,624,250	1,054,240	957,696	4,043,733	3,581,946
Debt securities	-	37,938	-	27,439	-	65,377
Unlisted equities	453	387	-	-	453	387
Current assets	2,989,946	2,662,575	1,054,240	985,135	4,044,186	3,647,710
PIE funds ¹	47,710	70,393	14,447	39,700	62,157	110,093
Non-current assets	47,710	70,393	14,447	39,700	62,157	110,093
Total investments at fair value through profit or loss	3,037,656	2,732,968	1,068,687	1,024,835	4,106,343	3,757,803

¹ All PIE funds invested in are other funds managed by the Manager. As such, these PIE funds are considered to be related entities. Refer to Note 4(c) for a detailed breakdown of PIE funds invested in by each Fund.

(b) Net changes in fair value of investments

	Growth Fund		Conservative Fund		Scheme Total	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Debt securities	321	306	(42)	221	279	527
PIE funds	49,668	654,685	(7,863)	93,324	41,805	748,009
Unlisted equities	66	102	-	-	66	102
Forward foreign exchange contracts	-	7	-	3	-	10
Total net changes in fair value of investments	50,055	655,100	(7,905)	93,548	42,150	748,648

**Fisher Funds KiwiSaver Scheme
For the year ended 31 March 2022**

Notes to the Financial Statements

3 Investments at fair value through profit or loss (continued)

(c) Fair value hierarchy

The fair value of an investment is the price that would be received to sell an investment asset, or paid to transfer a financial liability, in an orderly transaction between market participants at measurement date. Investments recognised at fair value are categorised according to the level of judgment used in determining the fair value. There are three levels in the hierarchy of fair value measurements which are based on the observability of inputs to measure fair values:

Level 1: Inputs are the last traded price for identical securities in active markets that the Funds can access; except for when the last traded price falls outside the bid-ask spread for a particular stock, in which case the bid price is used.

Level 2: Where quoted market prices are not available, fair values have been estimated using present value or other valuation techniques using inputs that are available for the investment asset, either directly or indirectly.

Level 3: Fair values are estimated using significant inputs that are unobservable for the investment asset.

The table below categorises investment by fair value hierarchy:

Fair value hierarchy	Growth Fund		Conservative Fund		Scheme Total	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Level 1	-	37,938	-	27,439	-	65,377
Level 2	3,037,203	2,694,643	1,068,687	997,396	4,105,890	3,692,039
Level 3	453	387	-	-	453	387
	3,037,656	2,732,968	1,068,687	1,024,835	4,106,343	3,757,803

The Funds have no investments classified as Level 1 as at 31 March 2022 (31 March 2021: \$65.4m which comprised tradeable New Zealand Government debt securities).

Level 2 investments comprise investments in PIE funds. The PIE investments are not traded in an active market and their fair value is determined using valuation techniques. The value is based primarily on the latest available redemption price at balance date of the respective PIE funds.

Level 3 investments comprise investments in private equity funds (unlisted equities) where the valuation is based of financial reports provided by the Manager, Direct Capital IV Management Limited.

During the year there were no transfers of investments between levels in the fair value hierarchy.

(d) Reconciliation of movements in Level 3 investments

The following table shows a reconciliation from the opening balance to the closing balance for the fair value measurements in level 3 of the fair value hierarchy:

Unlisted equities	Growth Fund		Conservative Fund		Scheme Total	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Opening balance	387	448	-	-	387	448
Return of capital	-	(164)	-	-	-	(164)
Capital drawdowns	27	36	-	-	27	36
Profits/(losses) recognised in profit or loss	39	67	-	-	39	67
Closing balance	453	387	-	-	453	387
Change in unrealised gains for the year included in profit or loss for level 3 investments held at balance date	39	67	-	-	39	67

Fisher Funds KiwiSaver Scheme
For the year ended 31 March 2022

Notes to the Financial Statements

4 Related parties

(a) Transactions and balances with related parties

The Manager of the Scheme is Fisher Funds Management Limited and the Supervisor is Trustees Executors Limited. The Manager and Trustees Executors Limited are related parties of the Scheme by virtue of the Governing Document, giving the Manager and Supervisor, either directly or indirectly, the authority and responsibility for planning, directing and controlling the activities of the Scheme.

The Manager is responsible for managing the assets of the Scheme and fund administration, and is entitled to a management fee of 0.95% per annum ("p.a.") of the gross asset value ("GAV") of the Growth Fund and 0.85% p.a. of the GAV of the Conservative Fund. Management fees are calculated daily and payable monthly.

In addition, each individual member was charged a monthly administration fee of \$1.95 which is paid via unit redemption. This administration fee was shared between the Manager and Trustees Executors Limited for the day to day administration of member accounts and maintaining the member registry for the Scheme. During the year, the Board approved the removal of administration fees charged to members, effective from 31 March 2022.

The Manager is also entitled to be paid a performance fee on the Growth Fund where the returns to Members exceed the Fund's benchmark ("Benchmark Return") capped at 2% p.a. of the average net asset value of the Fund. The Benchmark Return is measured by the percentage change in the NZ Official Cash Rate ("OCR") plus 5%. A high water mark applies to ensure the Manager is only rewarded for investment performance once. Where the high water mark is higher than the performance period end unit price, no performance fee is payable. Where the high water mark is lower than the performance period end unit price the fee is the lesser of:

- 10% of the return in excess of the Benchmark Return; or
- 10% of the excess return achieved above the high water mark.

The performance fee is calculated for the period 1 July to 30 June. Therefore, the actual amount payable at the end of the current performance period may be greater or less than the performance fees accrued at 31 March. The performance fee is accrued daily and is payable within three days of 30 June.

In relation to the underlying investments in the FIPF, the Funds receive a management fee rebate from the Manager of 0.75% p.a. on the value of the property assets under management. The rebate is calculated daily and paid quarterly by the Manager.

Income earned or fees incurred by the Funds during the period, and amounts receivable from or payable to the Manager and Supervisor at balance date, are detailed below:

(i) Related party income

	Growth Fund		Conservative Fund		Scheme Total	
	2022	2021	2022	2021	2022	2021
	\$000	\$000	\$000	\$000	\$000	\$000
Fisher Funds Management Limited:						
Management fee rebates	927	813	463	382	1,390	1,195
Total Fisher Funds Management Limited	927	813	463	382	1,390	1,195
Total related party income	927	813	463	382	1,390	1,195

(ii) Related party fees incurred

	Growth Fund		Conservative Fund		Scheme Total	
	2022	2021	2022	2021	2022	2021
	\$000	\$000	\$000	\$000	\$000	\$000
Fisher Funds Management Limited:						
Management fees	28,800	22,550	9,353	8,353	38,153	30,903
Performance fees	12,893	35,151	-	-	12,893	35,151
Administration fees deducted by unit redemption	1,160	1,270	557	672	1,717	1,942
Total Fisher Funds Management Limited	42,853	58,971	9,910	9,025	52,763	67,996
Trustee Executors Limited:						
Supervisor fees	469	372	170	154	639	526
Custody, unit pricing and accounting fees	120	102	52	55	172	157
Administration fees deducted by unit redemption	783	1,114	376	589	1,159	1,703
Total Trustee Executors Limited	1,372	1,588	598	798	1,970	2,386
Total related party fees incurred	44,225	60,559	10,508	9,823	54,733	70,382

Fisher Funds KiwiSaver Scheme
For the year ended 31 March 2022

Notes to the Financial Statements

4 Related parties (continued)

(iii) Related party receivables

	Growth Fund		Conservative Fund		Scheme Total	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Fisher Funds Management Limited:						
Rebates receivable	276	211	128	98	404	309
Total Fisher Funds Management Limited	276	211	128	98	404	309
Total related party receivables	276	211	128	98	404	309

(iv) Related party payables

Fisher Funds Management Limited:						
Management fees payable	2,434	2,324	777	792	3,211	3,116
Performance fees payable	-	32,403	-	-	-	32,403
Total Fisher Funds Management Limited	2,434	34,727	777	792	3,211	35,519
Trustee Executors Limited:						
Supervisor fees payable	40	37	14	14	54	51
Unit pricing and accounting fees payable	13	14	5	10	18	24
Total Trustee Executors Limited	53	51	19	24	72	75
Total related party fees payable	2,487	34,778	796	816	3,283	35,594

(b) Investment transactions with related entities

During the year various investments were bought or sold by the Scheme where the counterparty was another Fund also managed by the Manager. All such transactions were carried out in the ordinary course of the Scheme's activities and were transacted at the fair value of the underlying investment bought or sold (i.e. on an arm's-length basis). No brokerage fees were charged.

	Growth Fund		Conservative Fund		Scheme Total	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Purchases of investments ⁽¹⁾	16,881	680	-	-	16,881	680
Sales of investments ⁽¹⁾	-	-	13,444	-	13,444	-
Unsettled purchases of investments	-	40,700	-	12,990	-	53,690
Unsettled sales of investments	-	35,000	-	15,300	-	50,300

⁽¹⁾ These purchases and sales of investments exclude contributions and withdrawals in Fisher Institutional Funds.

Fisher Funds KiwiSaver Scheme
For the year ended 31 March 2022

Notes to the Financial Statements

4 Related parties (continued)

(c) Investments in related entities

The Scheme indirectly holds multiple investments through other funds managed by the Manager. The Scheme has been deemed to meet the definition of an investment entity and accordingly the Scheme's investments in other PIE funds managed by the Manager are not consolidated, instead measured at fair value through profit and loss, if any. The Scheme's investments in other funds managed by the Manager (PIE Funds per Note 3) are as follows:

	Growth Fund		Conservative Fund		Scheme Total	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Current assets:						
Fisher Institutional New Zealand Cash Fund	-	75,368	118,853	170,771	118,853	246,139
Fisher Institutional New Zealand Fixed Interest Fund	234,778	263,300	268,117	266,321	502,895	529,621
Fisher Institutional Global Fixed Interest Fund	89,935	133,642	325,978	268,124	415,913	401,766
Fisher Institutional International Equity Fund	381,899	426,506	36,123	49,669	418,022	476,175
Fisher Institutional International Hedged Equity Fund	396,879	317,441	38,544	23,885	435,423	341,326
Fisher Institutional Select Global Equities Fund	597,116	422,330	55,380	53,269	652,496	475,599
Fisher Institutional Trans Tasman Equities Fund	801,641	802,315	65,103	57,278	866,744	859,593
Fisher Institutional Property & Infrastructure Fund	168,271	159,974	55,590	66,938	223,861	226,912
Fisher Institutional Property Fund	76,906	23,374	43,373	1,441	120,279	24,815
Fisher Institutional Global Value Fund	149,467	-	13,924	-	163,391	-
Fisher Institutional Inflation Linked Bond Fund	92,601	-	33,255	-	125,856	-
Total current assets	2,989,493	2,624,250	1,054,240	957,696	4,043,733	3,581,946
Non-current assets:						
Fisher Institutional Property Fund	47,710	70,393	14,447	39,700	62,157	110,093
Total non-current assets	47,710	70,393	14,447	39,700	62,157	110,093
Total investments in related entities	3,037,203	2,694,643	1,068,687	997,396	4,105,890	3,692,039

5 Contributions and withdrawals

Contributions	Growth Fund		Conservative Fund		Scheme Total	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Member contributions	134,661	116,070	55,541	57,409	190,202	173,479
Member lump sum and voluntary contributions over minimum contribution rate	94,361	65,567	52,223	39,732	146,584	105,299
Employer contributions	70,475	65,641	29,967	33,327	100,442	98,968
Crown contributions	23,634	20,821	11,289	11,919	34,923	32,740
Transfers from other KiwiSaver schemes	154,638	89,481	50,559	38,817	205,197	128,298
Transfers from other superannuation schemes	6,597	5,249	2,751	2,088	9,348	7,337
Inter-fund switches in	107,676	86,402	78,254	72,738	185,930	159,140
Other income	1,517	141	5,817	154	7,334	295
Other contributions	-	-	-	112	-	112
Total contributions	593,559	449,372	286,401	256,296	879,960	705,668

Contributions are received either from Members directly or via their employer or the Inland Revenue Department ("IRD"). Contributions in the form of Member Tax Credits are received from the Crown via the IRD. Members can also arrange to transfer funds in from other sources, such as from previous KiwiSaver providers or registered superannuation schemes and pension funds.

Fisher Funds KiwiSaver Scheme
For the year ended 31 March 2022

Notes to the Financial Statements

5 Contributions and withdrawals (continued)

Withdrawals

	Growth Fund		Conservative Fund		Scheme Total	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Member eligible withdrawals	53,724	30,857	46,190	29,828	99,914	60,685
Withdrawals on death	3,313	3,157	1,549	1,400	4,862	4,557
Serious illness withdrawals	4,223	2,118	4,001	2,138	8,224	4,256
Withdrawals or transfers on permanent emigration	1,993	2,141	704	1,012	2,697	3,153
Significant financial hardship withdrawals	6,006	5,398	3,696	3,873	9,702	9,271
First home purchase withdrawals	22,293	16,968	26,160	31,561	48,453	48,529
Transfers to other KiwiSaver schemes	76,532	58,153	28,363	29,430	104,895	87,583
Mortgage diversion withdrawals	6	7	-	-	6	7
Court ordered withdrawals	550	509	187	130	737	639
Inter-fund switches out	78,254	72,738	107,676	86,402	185,930	159,140
Other withdrawals	207	244	111	77	318	321
Total withdrawals	247,101	192,290	218,637	185,851	465,738	378,141

6 Interest income

	Growth Fund		Conservative Fund		Scheme Total	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Interest on investment assets at amortised cost	186	147	68	50	254	197
Interest on investment assets at fair value through profit or loss	675	634	244	453	919	1,087
	861	781	312	503	1,173	1,284

Interest income on financial assets at amortised cost and investment assets at fair value through profit or loss is recognised using the effective interest method.

7 Capital commitments and contingent liabilities

There were no significant capital commitments or contingent liabilities as at 31 March 2022 (31 March 2021: Nil).

8 Subsequent events

As at the date of signing, the underlying funds covered in these financial statements have experienced movement in unit prices, in line with recent market volatility. The equity-based fund [Growth Fund] have experienced a higher level of volatility. For recent unit price and fund performance, please visit www.fisherfunds.co.nz/unit-prices-and-performance/unit-prices (note, this information is unaudited).



Independent Auditor's Report

To the members of:

- Fisher Funds KiwiSaver Growth Fund
- Fisher Funds KiwiSaver Conservative Fund

Collectively "Fisher Funds KiwiSaver Scheme" (the "funds and scheme").

Report on the audit of the financial statements

Opinion

In our opinion, the financial statements of Fisher Funds KiwiSaver Scheme (the 'funds and scheme') on pages 2 to 13:

- present fairly in all material respects the funds' and scheme's financial position as at 31 March 2022 and its financial performance and cash flows for the year ended on that date; and
- in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

We have audited the accompanying financial statements which comprise:

- the statements of net assets as at 31 March 2022;
- the statements of changes in net assets, and cash flows statements for the year then ended; and
- notes, including a summary of significant accounting policies and other explanatory information.



Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the scheme in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (Including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our responsibilities under ISAs (NZ) are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

Our firm has also undertaken supervisor reporting in line with our obligations under Section 198 and 199 of the Financial Markets Conduct Act 2013 ("FMC Act 2013"). Subject to certain restrictions, partners and employees of our firm may also deal with the funds and scheme on normal terms within the ordinary course of trading activities of the business of the funds and scheme. These matters have not impaired our independence as auditor of the funds and scheme. The firm has no other relationship with, or interest in, the funds and scheme.

Materiality

The scope of our audit was influenced by our application of materiality. Materiality helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole. The materiality for the financial statements as a whole was set at 0.75% of the total assets of each fund and the scheme. We chose the benchmark because, in our view, this is a key measure of the funds' and scheme's performance.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements in the current period. We summarise below those matters and our key audit procedures to address those matters in order that the members as a body may better understand the process by which we arrived at our audit opinion. Our procedures were undertaken in the context of and solely for the purpose of our statutory audit opinion on the financial statements as a whole and we do not express discrete opinions on separate elements of the financial statements.

The key audit matter

How the matter was addressed in our audit

Existence and valuation of investments

Refer to Note 3 to the Financial Report.

Investments are the funds' and scheme's main assets, and existence and valuation of those investments is the most important aspect of preparing the financial statements. As described in the financial statements, the funds' and scheme's investments include call accounts, term deposits, listed equities and bonds, fund-to-fund investments and simple derivatives held by one custodian. These factors reduce the risk and complexity of verifying investment existence and valuation.

COVID-19 and geo-political events in Europe putting strain on global supply chains, as well as rising interest rates, has meant that greater volatility exists around the valuation of investments and the fair value hierarchy level attributed to each. This required some additional judgement in these areas.

Our audit procedures included:

- documenting and understanding the processes in place to record investment transactions and to value the portfolio. This included evaluating the control environment in place at the custodian, investment accounting and registry service provider by obtaining and reading the service organisation reports issued by an independent auditor on the design and operation of those controls throughout the period;
- agreeing investment holdings to the confirmations received from banks and the custodian;
- agreeing the valuation of listed equities, bonds and fund-to-fund investments to independent third party pricing sources;
- for derivatives, engaging our valuation specialists to check the reasonableness of the inputs to information available from independent third party pricing sources; and
- checking the accuracy of fair value levels as disclosed in the financial statements.

We did not identify any material differences from our procedures.

Other information

The Manager, on behalf of the funds and scheme, is responsible for the other information included in the funds' and scheme's Annual Report. Our opinion on the financial statements does not cover any other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Use of this independent auditor's report

This independent auditor's report is made solely to the members as a body. Our audit work has been undertaken so that we might state to the members those matters we are required to state to them in the independent auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members as a body for our audit work, this independent auditor's report, or any of the opinions we have formed.

Responsibilities of the Manager for the financial statements

The Manager, on behalf of the scheme, are responsible for:

- the preparation and fair presentation of the financial statements in accordance with generally accepted accounting practice in New Zealand (being New Zealand Equivalents to International Financial Reporting Standards) and International Financial Reporting Standards;
- implementing necessary internal control to enable the preparation of a set of financial statements that is fairly presented and free from material misstatement, whether due to fraud or error ; and
- assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objective is:

- to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and
- to issue an independent auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs NZ will always detect a material misstatement when it exists.



Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of these financial statements is located at the External Reporting Board (XRB) website at:

<https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-2/>

This description forms part of our independent auditor's report.

The engagement partner on the audit resulting in this independent auditor's report is Nicholas Moss.

For and on behalf of

A handwritten signature in black ink that reads 'KPMG' in a cursive, stylized font.

KPMG
Auckland

1 July 2022