



fisher funds TWO 

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FISHER FUNDS TWO KIWISAVER SCHEME

2022 **FINANCIAL  
STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2022

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Including the following Funds:

- Fisher Funds TWO KiwiSaver **Preservation Fund**
- Fisher Funds TWO KiwiSaver **Equity Fund**
- Fisher Funds TWO KiwiSaver **Cash Enhanced Fund**
- Fisher Funds TWO KiwiSaver **Balanced Fund**
- Fisher Funds TWO KiwiSaver **Conservative Fund**
- Fisher Funds TWO KiwiSaver **Growth Fund**

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

**Directory**

<b>Manager</b>	Fisher Funds Management Limited
<b>Registered Office</b>	Level 1, Crown Centre 67-73 Hurstmere Road, Takapuna, Auckland, 0622
<b>Investor and Advisor Enquiries</b>	Private Bag 93 502 Takapuna, Auckland, 0740 Email: <a href="mailto:enquiries@fisherfunds.co.nz">enquiries@fisherfunds.co.nz</a>
<b>Directors of the Manager</b>	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
<b>Licensed Supervisor</b>	Trustees Executors Limited
<b>Auditor</b>	KPMG
<b>Solicitors</b>	Chapman Tripp

Fisher Funds TWO KiwiSaver Scheme  
As at 31 March 2022

Statements of Net Assets

Note	Preservation Fund		Equity Fund		Cash Enhanced Fund		Balanced Fund		Conservative Fund		Growth Fund		Scheme Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Members' funds	30,024	31,725	241,552	216,749	313,522	718,965	1,189,464	1,087,754	196,166	177,318	828,165	696,558	2,798,893	2,929,069
<i>Represented by:</i>														
Current assets														
Cash and cash equivalents	174	370	2,825	2,411	2,648	8,640	8,552	13,021	1,708	1,803	8,798	9,480	24,705	35,725
Investments at fair value through profit or loss	29,931	31,485	238,990	216,949	304,424	706,512	1,137,881	1,054,787	188,338	172,537	798,348	661,360	2,697,912	2,843,630
Trade and other receivables	30	116	720	1,254	302	6,306	1,187	16,932	294	2,549	894	8,044	3,427	35,201
Related party receivables	-	-	-	-	21	664	161	119	21	17	73	104	276	904
PIE tax receivable on behalf of members	39	-	-	-	1,592	-	2,224	-	1,125	-	262	-	5,242	-
<b>Total current assets</b>	<b>30,174</b>	<b>31,971</b>	<b>242,535</b>	<b>220,614</b>	<b>308,987</b>	<b>722,122</b>	<b>1,150,005</b>	<b>1,084,859</b>	<b>191,486</b>	<b>176,906</b>	<b>808,375</b>	<b>678,988</b>	<b>2,731,562</b>	<b>2,915,460</b>
Non-current assets														
Investments at fair value through profit or loss	-	-	-	-	4,835	6,265	40,972	28,982	5,333	3,943	20,748	33,692	71,888	72,882
<b>Total non-current assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,835</b>	<b>6,265</b>	<b>40,972</b>	<b>28,982</b>	<b>5,333</b>	<b>3,943</b>	<b>20,748</b>	<b>33,692</b>	<b>71,888</b>	<b>72,882</b>
<b>Total assets</b>	<b>30,174</b>	<b>31,971</b>	<b>242,535</b>	<b>220,614</b>	<b>313,822</b>	<b>728,387</b>	<b>1,190,977</b>	<b>1,113,841</b>	<b>196,819</b>	<b>180,849</b>	<b>829,123</b>	<b>712,680</b>	<b>2,803,450</b>	<b>2,988,342</b>
Current liabilities														
Trade and other payables	132	166	74	904	162	5,855	631	16,237	508	2,543	272	8,357	1,779	34,062
Related party payables	18	18	223	215	138	338	882	866	145	142	686	619	2,092	2,198
PIE tax payable on behalf of members	-	62	686	2,746	-	3,229	-	8,984	-	846	-	7,146	686	23,013
<b>Total liabilities</b>	<b>150</b>	<b>246</b>	<b>983</b>	<b>3,865</b>	<b>300</b>	<b>9,422</b>	<b>1,513</b>	<b>26,087</b>	<b>653</b>	<b>3,531</b>	<b>958</b>	<b>16,122</b>	<b>4,557</b>	<b>59,273</b>
<b>Net assets available for benefits</b>	<b>30,024</b>	<b>31,725</b>	<b>241,552</b>	<b>216,749</b>	<b>313,522</b>	<b>718,965</b>	<b>1,189,464</b>	<b>1,087,754</b>	<b>196,166</b>	<b>177,318</b>	<b>828,165</b>	<b>696,558</b>	<b>2,798,893</b>	<b>2,929,069</b>

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 TWO KiwiSaver Scheme  
For the year ended 31 March 2022

Statements of Changes in Net Assets

Note	Preservation Fund		Equity Fund		Cash Enhanced Fund		Balanced Fund		Conservative Fund		Growth Fund		Scheme Total		
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	
<b>Income</b>															
Interest income	6	2	2	13	10	198	409	302	392	54	89	223	205	792	1,107
Dividend income		-	-	-	-	98	217	833	838	113	119	606	701	1,650	1,875
Net changes in fair value of investments	3 (b)	15	552	4,944	64,159	5,924	65,320	7,136	192,660	(1,739)	16,859	26,402	140,167	42,682	479,717
Management fee rebates	4 (a)(i)	-	-	-	-	107	429	573	446	78	65	471	364	1,229	1,304
Other income/(expenses)		-	-	-	-	-	(3)	-	(4)	-	(1)	-	(2)	-	(10)
<b>Total income</b>		<b>17</b>	<b>554</b>	<b>4,957</b>	<b>64,169</b>	<b>6,327</b>	<b>66,372</b>	<b>8,844</b>	<b>194,332</b>	<b>(1,494)</b>	<b>17,131</b>	<b>27,702</b>	<b>141,435</b>	<b>46,353</b>	<b>483,993</b>
<b>Expenses</b>															
Management fees	4 (a)(ii)	142	163	2,590	1,981	3,050	3,724	10,210	8,490	1,547	1,400	7,680	5,863	25,219	21,621
Custody, unit pricing and accounting fees	4 (a)(ii)	18	17	26	23	1	1	55	51	24	26	43	39	167	157
Supervisor fees	4 (a)(ii)	4	5	37	29	-	-	182	156	29	27	123	96	375	313
Auditor's fees - financial statements audit		8	8	9	9	-	-	9	9	9	9	10	9	45	44
Regulatory related expenses		2	3	14	9	-	-	58	42	11	9	40	26	125	89
Other expenses		2	4	14	11	-	-	58	52	10	10	43	36	127	113
<b>Total expenses</b>		<b>176</b>	<b>200</b>	<b>2,690</b>	<b>2,062</b>	<b>3,051</b>	<b>3,725</b>	<b>10,572</b>	<b>8,800</b>	<b>1,630</b>	<b>1,481</b>	<b>7,939</b>	<b>6,069</b>	<b>26,058</b>	<b>22,337</b>
<b>Net profit/(loss) before membership activities</b>		<b>(159)</b>	<b>354</b>	<b>2,267</b>	<b>62,107</b>	<b>3,276</b>	<b>62,647</b>	<b>(1,728)</b>	<b>185,532</b>	<b>(3,124)</b>	<b>15,650</b>	<b>19,763</b>	<b>135,366</b>	<b>20,295</b>	<b>461,656</b>
<b>Membership activities</b>															
Contributions	5	6,674	10,406	46,299	40,946	92,166	133,721	209,394	168,560	49,683	32,050	174,530	144,716	578,746	530,399
Withdrawals	5	(8,235)	(12,292)	(22,918)	(19,317)	(501,766)	(144,803)	(107,540)	(78,439)	(28,738)	(23,170)	(62,491)	(46,499)	(731,688)	(324,520)
Administration fees	4 (a)(ii)	(22)	(31)	(122)	(136)	(738)	(1,209)	(525)	(632)	(85)	(107)	(384)	(419)	(1,876)	(2,534)
PIE tax attributable to members		41	(77)	(723)	(2,892)	1,619	(4,007)	2,109	(9,533)	1,112	(968)	189	(7,469)	4,347	(24,946)
<b>Net membership activities</b>		<b>(1,542)</b>	<b>(1,994)</b>	<b>22,536</b>	<b>18,601</b>	<b>(408,719)</b>	<b>(16,298)</b>	<b>103,438</b>	<b>79,956</b>	<b>21,972</b>	<b>7,805</b>	<b>111,844</b>	<b>90,329</b>	<b>(150,471)</b>	<b>178,399</b>
Movements in members' funds for the year		(1,701)	(1,640)	24,803	80,708	(405,443)	46,349	101,710	265,488	18,848	23,455	131,607	225,695	(130,176)	640,055
<b>Members' funds at the start of the year</b>		<b>31,725</b>	<b>33,365</b>	<b>216,749</b>	<b>136,041</b>	<b>718,965</b>	<b>672,616</b>	<b>1,087,754</b>	<b>822,266</b>	<b>177,318</b>	<b>153,863</b>	<b>696,558</b>	<b>470,863</b>	<b>2,929,069</b>	<b>2,289,014</b>
<b>Members' funds at the end of the year</b>		<b>30,024</b>	<b>31,725</b>	<b>241,552</b>	<b>216,749</b>	<b>313,522</b>	<b>718,965</b>	<b>1,189,464</b>	<b>1,087,754</b>	<b>196,166</b>	<b>177,318</b>	<b>828,165</b>	<b>696,558</b>	<b>2,798,893</b>	<b>2,929,069</b>
<b>Units on issue</b>															
		Number '000	Number '000	Number '000	Number '000	Number '000	Number '000	Number '000	Number '000	Number '000	Number '000	Number '000	Number '000	Number '000	Number '000
Units on issue at the start of the year		11	11	31	28	354,946	362,991	167	153	83,595	79,829	292,698	250,578		
Applications for units for the year		2	3	6	7	44,851	67,860	31	29	23,137	15,508	70,293	66,805		
Withdrawals for the year		(3)	(3)	(3)	(4)	(242,741)	(75,905)	(16)	(15)	(12,902)	(11,742)	(25,263)	(24,685)		
<b>Units on issue at the end of the year</b>		<b>10</b>	<b>11</b>	<b>34</b>	<b>31</b>	<b>157,056</b>	<b>354,946</b>	<b>182</b>	<b>167</b>	<b>93,830</b>	<b>83,595</b>	<b>337,728</b>	<b>292,698</b>		

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

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

**Statements of Cash Flows**

	Preservation Fund		Equity Fund		Cash Enhanced Fund		Balanced Fund		Conservative Fund		Growth Fund		Scheme Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Cash flows from operating activities</b>														
Cash was provided from:														
Sale of investments	4,878	5,955	40,427	19,978	503,009	136,127	261,409	155,373	50,761	26,828	250,970	65,876	1,111,454	410,137
Interest received	2	2	13	10	209	410	312	391	57	88	229	204	822	1,105
Dividend income received	-	-	-	-	98	218	833	838	113	119	606	701	1,650	1,876
Management fee rebates received	-	-	-	-	751	132	530	430	73	63	501	335	1,855	960
Cash was applied to:														
Purchase of investments	(3,310)	(4,203)	(57,365)	(40,087)	(92,758)	(121,441)	(348,721)	(236,017)	(69,745)	(34,802)	(349,753)	(160,278)	(921,652)	(596,828)
Expenses	(176)	(196)	(2,681)	(1,983)	(3,254)	(3,693)	(10,556)	(8,590)	(1,626)	(1,460)	(7,874)	(5,873)	(26,167)	(21,795)
Net settlement of derivatives	-	-	-	-	-	439	-	569	-	105	-	378	-	1,491
<b>Net cash inflows/(outflows) from operating activities</b>	<b>1,394</b>	<b>1,558</b>	<b>(19,606)</b>	<b>(22,082)</b>	<b>408,055</b>	<b>12,192</b>	<b>(96,193)</b>	<b>(87,006)</b>	<b>(20,367)</b>	<b>(9,059)</b>	<b>(105,321)</b>	<b>(98,657)</b>	<b>167,962</b>	<b>(203,054)</b>
<b>Cash flows from financing activities</b>														
Cash was provided from:														
Member contributions	6,765	10,651	45,851	40,882	92,470	134,373	208,971	168,666	49,570	32,101	174,820	144,667	578,447	531,340
Cash was applied to:														
Member withdrawals	(8,273)	(12,398)	(22,927)	(19,657)	(502,579)	(145,597)	(107,625)	(78,456)	(28,354)	(23,212)	(62,581)	(46,551)	(732,339)	(325,871)
PIE tax received/(paid)	(60)	(75)	(2,783)	346	(3,201)	(3,944)	(9,098)	(1,453)	(860)	(718)	(7,219)	240	(23,221)	(5,604)
Administration fees	(22)	(31)	(120)	(136)	(738)	(1,209)	(524)	(632)	(84)	(107)	(382)	(419)	(1,870)	(2,534)
<b>Net cash inflows/(outflows) from financing activities</b>	<b>(1,590)</b>	<b>(1,853)</b>	<b>20,021</b>	<b>21,435</b>	<b>(414,048)</b>	<b>(16,377)</b>	<b>91,724</b>	<b>88,125</b>	<b>20,272</b>	<b>8,064</b>	<b>104,638</b>	<b>97,937</b>	<b>(178,983)</b>	<b>197,331</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(196)</b>	<b>(295)</b>	<b>415</b>	<b>(647)</b>	<b>(5,993)</b>	<b>(4,185)</b>	<b>(4,469)</b>	<b>1,119</b>	<b>(95)</b>	<b>(995)</b>	<b>(683)</b>	<b>(720)</b>	<b>(11,021)</b>	<b>(5,723)</b>
Opening cash brought forward	370	665	2,410	3,057	8,641	12,826	13,021	11,902	1,803	2,798	9,481	10,201	35,726	41,449
<b>Ending cash carried forward</b>	<b>174</b>	<b>370</b>	<b>2,825</b>	<b>2,410</b>	<b>2,648</b>	<b>8,641</b>	<b>8,552</b>	<b>13,021</b>	<b>1,708</b>	<b>1,803</b>	<b>8,798</b>	<b>9,481</b>	<b>24,705</b>	<b>35,726</b>
<b>Reconciliation of net profit/(loss) to cash flows from operating activities</b>														
<b>Net profit/(loss) before membership activities</b>	<b>(159)</b>	<b>354</b>	<b>2,267</b>	<b>62,107</b>	<b>3,276</b>	<b>62,647</b>	<b>(1,728)</b>	<b>185,532</b>	<b>(3,124)</b>	<b>15,650</b>	<b>19,763</b>	<b>135,366</b>	<b>20,295</b>	<b>461,656</b>
<b>Non cash items</b>														
Net unrealised changes in the fair value of investments	726	358	8,439	(61,637)	72,548	(42,527)	32,043	(172,693)	9,985	(12,339)	1,606	(126,108)	125,347	(414,946)
Accrued interest	-	-	-	-	11	-	10	-	3	(1)	5	(1)	29	(2)
	726	358	8,439	(61,637)	72,559	(42,527)	32,053	(172,693)	9,988	(12,340)	1,611	(126,109)	125,376	(414,948)
<b>Movements in working capital</b>														
Decrease/(increase) in trade and other receivables	86	246	534	(65)	6,004	1,092	15,745	627	2,255	156	7,150	329	31,774	2,385
Decrease/(increase) in related party receivables	-	-	-	1,820	643	4,803	(42)	814	(4)	(72)	31	2,211	628	9,576
Increase/(decrease) in trade and other payables	(34)	(106)	(830)	(335)	(5,693)	(797)	(15,606)	29	(2,035)	(41)	(8,085)	(51)	(32,283)	(1,301)
Increase/(decrease) in related party payables	-	1	8	(1,404)	(200)	(4,388)	16	3,329	3	239	67	1,285	(106)	(938)
Decrease/(increase) in cost of underlying investments carried at fair value	830	843	(30,482)	(22,971)	330,959	(8,781)	(127,141)	(104,555)	(27,177)	(12,642)	(125,653)	(111,791)	21,336	(259,897)
	882	984	(30,770)	(22,955)	331,713	(8,071)	(127,028)	(99,756)	(26,958)	(12,360)	(126,490)	(108,017)	21,349	(250,175)
<b>Items classified as financing activities</b>														
Movements in payables/receivables attributable to financing activities	(55)	(138)	458	403	507	143	510	(89)	(273)	(9)	(205)	103	942	413
	(55)	(138)	458	403	507	143	510	(89)	(273)	(9)	(205)	103	942	413
<b>Net cash inflows/(outflows) from operating activities</b>	<b>1,394</b>	<b>1,558</b>	<b>(19,606)</b>	<b>(22,082)</b>	<b>408,055</b>	<b>12,192</b>	<b>(96,193)</b>	<b>(87,006)</b>	<b>(20,367)</b>	<b>(9,059)</b>	<b>(105,321)</b>	<b>(98,657)</b>	<b>167,962</b>	<b>(203,054)</b>

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

## Fisher Funds TWO 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 TWO KiwiSaver Scheme ("the Scheme"). The Scheme is made up of six funds ("the Funds"):

- Fisher Funds TWO Kiwisaver Preservation Fund ("Preservation Fund")
- Fisher Funds TWO Kiwisaver Equity Fund ("Equity Fund")
- Fisher Funds TWO Kiwisaver Cash Enhanced Fund ("Cash Enhanced Fund")
- Fisher Funds TWO Kiwisaver Balanced Fund ("Balanced Fund")
- Fisher Funds TWO Kiwisaver Conservative Fund ("Conservative Fund")
- Fisher Funds TWO Kiwisaver Growth Fund ("Growth 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

The material judgements 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.

##### (h) Default KiwiSaver provider status

On 14 May 2021, the New Zealand Government announced changes to the default KiwiSaver provider arrangements. These included reducing the number of default KiwiSaver providers. As of 1 December 2021, Fisher Funds is no longer a default KiwiSaver provider. The Cash Enhanced Fund (which was the default KiwiSaver fund) continues to operate as a non-default KiwiSaver fund and is managed as a going concern within the Scheme.

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

Notes to the Financial Statements

2. Risk

The investment activities of the Funds come with financial risks. These risks are managed under the Scheme's Statement of Investment Policy and Objectives ("SIPO"), and are monitored by the Manager.

(a) Market price, interest rate and currency risks

Market price risk is the risk of gains or losses from changes in the market price of investments. A variable of 20% is considered appropriate for market price risk sensitivity analysis based on historical price movements.

Interest rate risk is the risk of movements in interest rates. Surplus cash is held in interest bearing New Zealand and foreign bank accounts. The Funds are therefore exposed to the risk of gains or losses or changes in interest income from movements in both New Zealand and foreign interest rates. A variable of 1% was selected for interest rate risk as this is a reasonably possible movement based on historic trends and current market expectations.

Currency risk is the risk of gains or losses or changes in the New Zealand dollar value of income from changes in foreign exchange rates. The scheme is not exposed to currency risk as all investments held by the scheme are denominated in New Zealand dollars.

An analysis including the impact on Members' funds of the market price risk and direct interest rate risk from the investments of the Funds is set out in the tables below. Members' funds are impacted by price movements by the same amount as profit after adjusting for the impact of PIE tax adjustments attributable to members.

The Scheme is also exposed indirectly to interest rate risk and currency risk arising from its investment in PIE funds. These indirect risks are not considered in the analysis below.

	Preservation Fund		Equity Fund		Cash Enhanced Fund		Balanced Fund		Conservative Fund		Growth Fund		Scheme Total		
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	
<b>Market risk</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	
PIE funds	Carrying amount	29,931	31,485	238,990	216,949	309,259	692,565	1,178,853	1,065,451	193,671	171,789	819,096	685,390	2,769,800	2,863,629
	Impact of a +/- 20% change in market prices	5,986	6,297	47,798	43,390	61,852	138,513	235,771	213,090	38,734	34,358	163,819	137,078	553,960	572,726
<b>Interest rate risk</b>															
Cash and cash equivalents, bank deposits, debt securities and swaps															
	Re-pricing profile:														
	Up to 90 days	174	370	2,825	2,411	2,648	8,640	8,552	13,021	1,708	1,803	8,798	9,480	24,705	35,725
	1-5 years	-	-	-	-	-	10,993	-	9,826	-	2,559	-	5,272	-	28,650
	5+ years	-	-	-	-	-	9,219	-	8,492	-	2,132	-	4,391	-	24,234
Cash and cash equivalents															
	Carrying amount	174	370	2,825	2,411	2,648	8,640	8,552	13,021	1,708	1,803	8,798	9,480	24,705	35,725
	Impact of a +/- 1% change in interest rates	2	4	28	24	26	86	86	130	17	18	88	95	247	357
Debt securities, bank deposits and swaps															
	Carrying amount	-	-	-	-	-	20,212	-	18,318	-	4,691	-	9,662	-	52,883
	Impact of a +/- 1% change in interest rates	-	-	-	-	-	1,938	-	1,773	-	449	-	925	-	5,085

Fisher Funds TWO 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.

Several of 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 designated at fair value through profit or loss held by the Scheme:

Credit Rating	Preservation Fund		Equity Fund		Cash Enhanced Fund		Balanced Fund		Conservative Fund		Growth Fund		Scheme Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
AAA	-	-	-	-	-	20,212	-	18,318	-	4,691	-	9,663	-	52,884
AA- to AA+	174	370	2,825	2,411	2,648	8,640	8,552	13,021	1,708	1,803	8,798	9,480	24,705	35,725
<b>Total</b>	<b>174</b>	<b>370</b>	<b>2,825</b>	<b>2,411</b>	<b>2,648</b>	<b>28,852</b>	<b>8,552</b>	<b>31,339</b>	<b>1,708</b>	<b>6,494</b>	<b>8,798</b>	<b>19,143</b>	<b>24,705</b>	<b>88,609</b>

(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. The Funds do not hold greater than 5% of net assets with any one counterparty (excluding PIE funds, which are detailed in Note 4(c)).

Fisher Funds TWO 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

	Preservation Fund		Equity Fund		Cash Enhanced Fund		Balanced Fund		Conservative Fund		Growth Fund		Scheme Total	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Debt securities	-	-	-	-	-	20,212	-	18,318	-	4,691	-	9,662	-	52,883
PIE funds <sup>1</sup>	29,931	31,485	238,990	216,949	304,424	686,300	1,137,881	1,036,469	188,338	167,846	798,348	651,698	2,697,912	2,790,747
Current assets	29,931	31,485	238,990	216,949	304,424	706,512	1,137,881	1,054,787	188,338	172,537	798,348	661,360	2,697,912	2,843,630
PIE funds <sup>1</sup>	-	-	-	-	4,835	6,265	40,972	28,982	5,333	3,943	20,748	33,692	71,888	72,882
Non-current assets	-	-	-	-	4,835	6,265	40,972	28,982	5,333	3,943	20,748	33,692	71,888	72,882
<b>Total investments at fair value through profit or loss</b>	<b>29,931</b>	<b>31,485</b>	<b>238,990</b>	<b>216,949</b>	<b>309,259</b>	<b>712,777</b>	<b>1,178,853</b>	<b>1,083,769</b>	<b>193,671</b>	<b>176,480</b>	<b>819,096</b>	<b>695,052</b>	<b>2,769,800</b>	<b>2,916,512</b>

<sup>1</sup> 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

	Preservation Fund		Equity Fund		Cash Enhanced Fund		Balanced Fund		Conservative Fund		Growth Fund		Scheme Total	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Debt securities	-	-	-	-	(45)	1,007	123	579	(7)	76	82	82	153	1,744
PIE funds	15	552	4,944	64,159	5,969	64,311	7,013	192,078	(1,732)	16,782	26,320	140,083	42,529	477,965
Forward foreign exchange contracts	-	-	-	-	-	2	-	3	-	1	-	2	-	8
<b>Total net changes in fair value of investments</b>	<b>15</b>	<b>552</b>	<b>4,944</b>	<b>64,159</b>	<b>5,924</b>	<b>65,320</b>	<b>7,136</b>	<b>192,660</b>	<b>(1,739)</b>	<b>16,859</b>	<b>26,402</b>	<b>140,167</b>	<b>42,682</b>	<b>479,717</b>

Fisher Funds TWO 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	Preservation Fund		Equity Fund		Cash Enhanced Fund		Balanced Fund		Conservative Fund		Growth Fund		Scheme Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Level 1	-	-	-	-	-	20,212	-	18,318	-	4,691	-	9,662	-	52,883
Level 2	29,931	31,485	238,990	216,949	309,259	692,565	1,178,853	1,065,451	193,671	171,789	819,096	685,390	2,769,800	2,863,629
	<b>29,931</b>	<b>31,485</b>	<b>238,990</b>	<b>216,949</b>	<b>309,259</b>	<b>712,777</b>	<b>1,178,853</b>	<b>1,083,769</b>	<b>193,671</b>	<b>176,480</b>	<b>819,096</b>	<b>695,052</b>	<b>2,769,800</b>	<b>2,916,512</b>

The Funds have no investments classified as Level 1 as at 31 March 2022 (31 March 2021: \$52.9m 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 based on the latest available redemption price at balance date of the respective PIE funds.

The Funds have no investments classified as Level 3 as at 31 March 2022 (31 March 2021: Nil).

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

**Fisher Funds TWO 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 calculated as a percentage per annum of the gross asset value of the Funds, with the exception of the Cash Enhanced Fund which is calculated on the NAV of the Fund. Management fees are calculated daily and payable monthly at the following percentage for each Fund: <sup>1</sup>

Preservation Fund	Equity Fund	Cash Enhanced Fund	Balanced Fund	Conservative Fund	Growth Fund
0.48%	Up to 1.10%	0.52%	Up to 0.95%	Up to 0.85%	Up to 1.05%

<sup>1</sup> Funds with fees of "Up to" have a graduated management fee, which reduces by 0.05% for GAV between \$100 million and \$200 million, and reduces by a further 0.05% for GAV above \$200 million.

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

In relation to the underlying investments in the FIPF, the Funds receive a management fee rebate from the Manager for the management fee paid by the FIPF to the Manager on its property assets under management of 0.75% per annum. This rebate is calculated daily based on the ratio of property assets to cash assets within the FIPF, and is 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**

	Preservation Fund		Equity Fund		Cash Enhanced Fund		Balanced Fund		Conservative Fund		Growth Fund		Scheme Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Fisher Funds Management Limited:</b>														
Management fee rebates	-	-	-	-	107	429	573	446	78	65	471	364	1,229	1,304
<b>Total Fisher Funds Management Limited</b>	-	-	-	-	107	429	573	446	78	65	471	364	1,229	1,304
<b>Total related party income earned</b>	-	-	-	-	107	429	573	446	78	65	471	364	1,229	1,304

**(ii) Related party fees incurred**

	Preservation Fund		Equity Fund		Cash Enhanced Fund		Balanced Fund		Conservative Fund		Growth Fund		Scheme Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Fisher Funds Management Limited:</b>														
Management fees	142	163	2,590	1,981	3,050	3,724	10,210	8,490	1,547	1,400	7,680	5,863	25,219	21,621
Administration fees deducted by unit redemption	13	16	73	70	440	626	313	327	50	55	229	217	1,118	1,311
<b>Total Fisher Funds Management Limited</b>	155	179	2,663	2,051	3,490	4,350	10,523	8,817	1,597	1,455	7,909	6,080	26,337	22,932
<b>Trustee Executors Limited:</b>														
Supervisor fees	4	5	37	29	-	-	182	156	29	27	123	96	375	313
Custody, unit pricing and accounting fees	18	17	26	23	1	1	55	51	24	26	43	39	167	157
Administration fees deducted by unit redemption	9	15	49	66	298	583	212	305	34	51	155	202	757	1,222
<b>Total Trustee Executors Limited</b>	31	37	112	118	299	584	449	512	87	104	321	337	1,299	1,692
<b>Total related party fees incurred</b>	186	216	2,775	2,169	3,789	4,934	10,972	9,329	1,684	1,559	8,230	6,417	27,636	24,624

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

Notes to the Financial Statements

4. Related parties (continued)	Preservation Fund		Equity Fund		Cash Enhanced Fund		Balanced Fund		Conservative Fund		Growth Fund		Scheme Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
(iii) Related party receivables	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Fisher Funds Management Limited:														
Rebates receivable	-	-	-	-	21	664	161	119	21	17	73	104	276	904
<b>Total Fisher Funds Management Limited</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21</b>	<b>664</b>	<b>161</b>	<b>119</b>	<b>21</b>	<b>17</b>	<b>73</b>	<b>104</b>	<b>276</b>	<b>904</b>
<b>Total related party fees receivable</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21</b>	<b>664</b>	<b>161</b>	<b>119</b>	<b>21</b>	<b>17</b>	<b>73</b>	<b>104</b>	<b>276</b>	<b>904</b>
(iv) Related party payables														
Fisher Funds Management Limited:														
Management fees payable	12	14	214	208	138	338	860	843	136	132	669	603	2,029	2,138
<b>Total Fisher Funds Management Limited</b>	<b>12</b>	<b>14</b>	<b>214</b>	<b>208</b>	<b>138</b>	<b>338</b>	<b>860</b>	<b>843</b>	<b>136</b>	<b>132</b>	<b>669</b>	<b>603</b>	<b>2,029</b>	<b>2,138</b>
Trustee Executors Limited:														
Supervisor fees payable	-	-	3	3	-	-	16	15	3	2	11	9	33	29
Unit pricing and accounting fees payable	6	4	6	4	-	-	6	8	6	8	6	7	30	31
<b>Total Trustee Executors Limited</b>	<b>6</b>	<b>4</b>	<b>9</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>22</b>	<b>23</b>	<b>9</b>	<b>10</b>	<b>17</b>	<b>16</b>	<b>63</b>	<b>60</b>
<b>Total related party fees payable</b>	<b>18</b>	<b>18</b>	<b>223</b>	<b>215</b>	<b>138</b>	<b>338</b>	<b>882</b>	<b>866</b>	<b>145</b>	<b>142</b>	<b>686</b>	<b>619</b>	<b>2,092</b>	<b>2,198</b>

(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.

	Preservation Fund		Equity Fund		Cash Enhanced Fund		Balanced Fund		Conservative Fund		Growth Fund		Scheme Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Purchases of investments <sup>(1)</sup>	-	-	-	-	-	-	1,368	-	-	331	5,245	796	6,613	1,127
Sales of investments <sup>(1)</sup>	-	-	-	-	10,717	1,989	-	-	2,311	-	-	-	13,028	1,989
Unsettled purchases of investments	-	-	-	820	-	4,880	-	15,525	-	2,420	-	7,995	-	31,640
Unsettled sales of investments	-	-	-	980	-	5,700	-	16,170	-	2,370	-	6,860	-	32,080

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

Fisher Funds TWO 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 funds managed by the Manager are not consolidated, instead measured at fair value through profit or loss. The Scheme's investments in the other funds managed by the Manager (PIE funds per Note 3) are as follows:

	Preservation Fund		Equity Fund		Cash Enhanced Fund		Balanced Fund		Conservative Fund		Growth Fund		Scheme Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Current assets:</b>														
Fisher Institutional New Zealand Cash Fund	29,931	31,485	2,538	1,697	81,654	188,310	-	38,133	21,369	29,356	-	53,990	135,492	342,971
Fisher Institutional International Equity Fund	-	-	36,644	46,686	12,804	35,816	107,855	117,938	6,886	8,834	204,318	157,881	368,507	367,155
Fisher Institutional International Equity (Hedged) Fund	-	-	35,509	36,653	13,314	17,266	112,457	82,685	7,096	4,252	208,939	123,791	377,315	264,647
Fisher Institutional International Select Global Equity Fund	-	-	54,706	46,435	15,691	35,196	165,433	119,855	10,908	8,747	-	-	246,738	210,233
Fisher Institutional Trans Tasman Equity Fund	-	-	95,085	85,478	22,373	48,675	173,259	176,034	11,749	9,977	214,410	194,111	516,876	514,275
Fisher Institutional New Zealand Fixed Interest Fund	-	-	-	-	71,222	207,671	195,502	200,341	48,207	46,050	64,662	67,339	379,593	521,401
Fisher Institutional Core International Bond Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fisher Institutional International Bond Fund	-	-	-	-	18,632	31,629	56,734	59,502	15,492	16,833	10,911	-	101,769	107,964
Fisher Institutional Property & Infrastructure Fund	-	-	-	-	6,842	24,322	78,821	81,208	10,554	11,462	44,153	-	140,370	116,992
Fisher Institutional Property Fund	-	-	-	-	1,519	-	31,664	54,212	4,308	3,096	12,406	19,897	49,897	77,205
Fisher Institutional Global Fixed Income Fund	-	-	-	-	55,913	97,414	138,857	106,562	43,511	29,239	14,126	34,688	252,407	267,903
Fisher Institutional Global Value Fund	-	-	14,508	-	-	-	41,646	-	2,528	-	-	-	58,682	-
Fisher Institutional Inflation Linked Bond Fund	-	-	-	-	4,460	-	35,653	-	5,730	-	24,423	-	70,266	-
<b>Total current assets</b>	<b>29,931</b>	<b>31,485</b>	<b>238,990</b>	<b>216,949</b>	<b>304,424</b>	<b>686,299</b>	<b>1,137,881</b>	<b>1,036,470</b>	<b>188,338</b>	<b>167,846</b>	<b>798,348</b>	<b>651,697</b>	<b>2,697,912</b>	<b>2,790,746</b>
<b>Non-current assets</b>														
Fisher Institutional Property Fund	-	-	-	-	4,835	6,265	40,972	28,982	5,333	3,943	20,748	33,692	71,888	72,882
<b>Total non-current assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,835</b>	<b>6,265</b>	<b>40,972</b>	<b>28,982</b>	<b>5,333</b>	<b>3,943</b>	<b>20,748</b>	<b>33,692</b>	<b>71,888</b>	<b>72,882</b>
<b>Total investments in related entities</b>	<b>29,931</b>	<b>31,485</b>	<b>238,990</b>	<b>216,949</b>	<b>309,259</b>	<b>692,564</b>	<b>1,178,853</b>	<b>1,065,452</b>	<b>193,671</b>	<b>171,789</b>	<b>819,096</b>	<b>685,389</b>	<b>2,769,800</b>	<b>2,863,628</b>

5. Contributions and withdrawals

	Preservation Fund		Equity Fund		Cash Enhanced Fund		Balanced Fund		Conservative Fund		Growth Fund		Scheme Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Contributions</b>														
Member contributions	1,400	1,639	12,574	10,703	40,101	53,985	53,764	52,497	7,560	8,030	46,297	39,942	161,696	166,796
Member lump sum and voluntary contributions over minimum contribution rate	321	630	4,047	2,503	11,504	9,560	34,878	23,685	7,655	6,827	10,767	7,720	69,172	50,925
Employer contributions	769	998	6,640	6,165	22,490	32,599	27,163	28,567	3,737	4,205	23,812	22,305	84,611	94,839
Crown contributions	263	321	1,915	1,662	9,574	9,767	8,202	8,190	1,177	1,262	6,743	5,981	27,874	27,183
Transfers from other KiwiSaver schemes	129	147	5,151	1,860	103	1,563	3,865	3,621	1,018	604	4,273	2,367	14,539	10,162
Transfers from other superannuation schemes	57	88	149	143	538	1,051	2,896	1,950	59	118	1,748	1,072	5,447	4,422
Inter-fund switches in	3,735	6,582	15,821	17,905	7,854	25,174	78,620	50,030	28,475	10,999	80,886	65,315	215,391	176,005
Other income	-	1	2	5	2	22	6	20	2	4	4	14	16	66
<b>Total contributions</b>	<b>6,674</b>	<b>10,406</b>	<b>46,299</b>	<b>40,946</b>	<b>92,166</b>	<b>133,721</b>	<b>209,394</b>	<b>168,560</b>	<b>49,683</b>	<b>32,049</b>	<b>174,530</b>	<b>144,716</b>	<b>578,746</b>	<b>530,398</b>

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 TWO KiwiSaver Scheme  
For the year ended 31 March 2022

Notes to the Financial Statements

5. Contributions and withdrawals (continued)

	Preservation Fund		Equity Fund		Cash Enhanced Fund		Balanced Fund		Conservative Fund		Growth Fund		Scheme Total	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000
<b>Withdrawals</b>														
Member eligible withdrawals	1,746	2,200	1,708	1,070	16,325	12,014	24,198	13,140	9,128	5,478	4,486	2,739	57,591	36,641
Withdrawals on death	54	27	85	67	1,359	1,077	1,701	872	361	591	601	516	4,161	3,150
Serious illness withdrawals	131	49	27	21	869	1,050	982	810	217	187	460	300	2,686	2,417
Withdrawals or transfers on permanent emigration	47	47	222	115	589	913	886	858	18	102	619	404	2,381	2,439
Significant financial hardship withdrawals	23	22	90	64	916	1,320	669	643	98	113	473	535	2,269	2,697
First home purchase withdrawals	839	2,025	2,051	819	12,123	17,387	7,914	6,314	2,013	1,923	4,870	3,691	29,810	32,159
Transfers to other KiwiSaver schemes	659	1,156	5,739	5,007	27,379	20,504	25,680	19,901	4,032	3,672	21,518	17,536	85,007	67,776
Loss of default KiwiSaver status	-	-	-	-	330,821	-	-	-	-	-	-	-	330,821	-
Court ordered withdrawals	-	-	61	-	75	100	244	121	92	-	212	182	684	403
Inter-fund switches out	4,735	6,766	12,926	12,125	110,745	89,812	45,056	35,656	12,773	11,098	29,157	20,547	215,392	176,004
Other withdrawals	1	-	9	29	565	626	210	124	6	6	95	49	886	834
<b>Total withdrawals</b>	<b>8,235</b>	<b>12,292</b>	<b>22,918</b>	<b>19,317</b>	<b>501,766</b>	<b>144,803</b>	<b>107,540</b>	<b>78,439</b>	<b>28,738</b>	<b>23,170</b>	<b>62,491</b>	<b>46,499</b>	<b>731,688</b>	<b>324,520</b>

6. Interest income

	Preservation Fund		Equity Fund		Cash Enhanced Fund		Balanced Fund		Conservative Fund		Growth Fund		Scheme Total	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Interest on investments at amortised cost	2	2	13	10	24	31	61	60	12	9	51	45	163	157
Interest from investment assets at fair value through profit or loss	-	-	-	-	174	378	241	332	42	80	172	160	629	950
<b>Total interest income</b>	<b>2</b>	<b>2</b>	<b>13</b>	<b>10</b>	<b>198</b>	<b>409</b>	<b>302</b>	<b>392</b>	<b>54</b>	<b>89</b>	<b>223</b>	<b>205</b>	<b>792</b>	<b>1,107</b>

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 funds [Equity Fund, Growth Fund and Balanced 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](http://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 TWO KiwiSaver Preservation Fund
- Fisher Funds TWO KiwiSaver Equity Fund
- Fisher Funds TWO KiwiSaver Cash Enhanced Fund
- Fisher Funds TWO KiwiSaver Balanced Fund
- Fisher Funds TWO KiwiSaver Conservative Fund
- Fisher Funds TWO KiwiSaver Growth Fund

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

## Report on the audit of the financial statements

### Opinion

In our opinion, the financial statements of Fisher Funds TWO 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.

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## 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.

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## 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.

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## 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.

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## 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 of 'KPMG' in black ink, written in a cursive, slightly slanted style.

KPMG  
Auckland

1 July 2022