
FISHER FUNDS MANAGED FUNDS SCHEME

2022 **FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2022

Including the following Funds:

Fisher Funds **New Zealand Growth Fund**

Fisher Funds **Australian Growth Fund**

Fisher Funds **International Growth Fund**

Fisher Funds **Property and Infrastructure Fund**

Fisher Funds **Income Fund**

Fisher Funds **Conservative Fund**

Fisher Funds **Growth Fund**

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**Fisher Funds Managed Funds 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 Managed Funds Scheme
As at 31 March 2022

Statements of Financial Position

Note	New Zealand Growth Fund		Australian Growth Fund		International Growth Fund		Property and Infrastructure Fund		Income Fund		Conservative Fund		Growth Fund		
	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	
Unit holders' funds	272,161	291,609	99,735	84,660	119,004	98,174	202,350	161,581	57,324	72,403	129,229	79,584	258,751	128,541	
<i>Represented by:</i>															
Current assets															
Investments at fair value through profit or loss	3	266,534	280,646	99,418	82,131	119,859	94,559	197,937	157,836	49,402	47,858	121,648	74,884	245,763	122,542
Cash and cash equivalents		4,784	10,448	566	1,583	1,282	4,710	5,826	5,195	5,287	6,474	2,669	3,934	6,082	5,577
Bank deposits at amortised cost		-	-	-	-	-	-	-	-	-	18,318	-	-	-	-
Trade and other receivables		980	767	17	1,505	147	2,064	388	2,622	1,317	1,149	75	624	422	1,181
Related party receivables	4 (a)(iii)	-	-	-	-	-	-	-	-	-	-	14	6	21	8
Other financial assets at amortised cost		-	-	-	-	-	-	-	-	1,238	-	-	-	-	-
PIE tax receivable on behalf of unit holders		931	1,458	-	564	-	-	17	-	304	-	744	-	252	-
Total current assets		273,229	293,319	100,001	85,783	121,288	101,333	204,168	165,653	57,548	73,799	125,150	79,448	252,540	129,308
Non-current assets															
Investments at fair value through profit or loss	3	-	-	-	-	-	-	-	-	-	-	4,257	1,786	6,626	2,665
Other financial assets at amortised cost		-	-	-	-	-	-	-	-	1,084	-	-	-	-	-
Total non-current assets		-	-	-	-	-	-	-	-	1,084	-	4,257	1,786	6,626	2,665
Total assets		273,229	293,319	100,001	85,783	121,288	101,333	204,168	165,653	58,632	73,799	129,407	81,234	259,166	131,973
<i>Less:</i>															
Current liabilities															
Investments at fair value through profit or loss	3	212	-	-	683	237	1,284	217	1,669	1,065	614	-	-	-	-
Trade and other payables		535	1,358	80	223	1,540	309	927	1,211	186	434	41	1,541	115	2,001
Related party payables	4 (a)(iv)	321	352	120	217	148	914	674	624	57	68	137	89	300	1,159
PIE tax payable on behalf of unit holders		-	-	66	-	359	652	-	568	-	280	-	20	-	272
Total liabilities		1,068	1,710	266	1,123	2,284	3,159	1,818	4,072	1,308	1,396	178	1,650	415	3,432
Net assets		272,161	291,609	99,735	84,660	119,004	98,174	202,350	161,581	57,324	72,403	129,229	79,584	258,751	128,541

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 Managed Funds Scheme
For the year ended 31 March 2022

Statements of Changes in Unit Holders' Funds

Funds	New Zealand Growth Fund		Australian Growth Fund		International Growth Fund		Property and Infrastructure Fund		Income Fund		Conservative Fund		Growth Fund	
	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
Opening unit holders' funds	291,609	177,182	84,660	53,449	98,174	51,682	161,581	121,543	72,403	63,903	79,584	37,708	128,541	42,400
Total comprehensive income/(loss)	(23,333)	78,660	5,161	27,339	(8,931)	28,101	16,940	42,353	(2,014)	2,422	(3,122)	3,681	(5,139)	16,696
Applications for units for the year	63,525	79,289	27,548	14,820	62,788	34,236	57,575	33,644	13,750	29,046	92,106	56,507	191,169	91,948
Withdrawals for the year	(60,637)	(45,040)	(17,549)	(11,550)	(32,670)	(15,105)	(33,765)	(35,283)	(27,119)	(22,604)	(40,080)	(18,241)	(56,073)	(22,182)
PIE tax attributable to unit holders	997	1,518	(85)	602	(357)	(740)	19	(676)	304	(364)	741	(71)	253	(321)
	(19,448)	114,427	15,075	31,211	20,830	46,492	40,769	40,038	(15,079)	8,500	49,645	41,876	130,210	86,141
Closing unit holders' funds	272,161	291,609	99,735	84,660	119,004	98,174	202,350	161,581	57,324	72,403	129,229	79,584	258,751	128,541
Units	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	20,814	18,119	15,668	14,910	28,909	23,065	47,836	48,695	64,948	59,524	69,442	35,801	98,028	41,862
Applications for units for the year	4,467	6,188	4,637	3,131	17,280	11,238	16,122	11,274	12,627	26,049	79,915	49,961	139,631	74,595
Withdrawals for the year	(4,233)	(3,493)	(2,993)	(2,373)	(9,252)	(5,394)	(9,472)	(12,133)	(24,377)	(20,625)	(34,555)	(16,320)	(41,089)	(18,429)
Units on issue at the end of the year	21,048	20,814	17,312	15,668	36,937	28,909	54,486	47,836	53,198	64,948	114,802	69,442	196,570	98,028

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

Fisher Funds Managed Funds Scheme
For the year ended 31 March 2022

Statements of Comprehensive Income

Note	New Zealand Growth Fund		Australian Growth Fund		International Growth Fund		Property and Infrastructure Fund		Income Fund		Conservative Fund		Growth Fund		
	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	
Income															
Interest income	5	47	32	6	7	14	8	39	24	1,633	1,876	30	26	64	26
Dividend income		3,413	2,411	326	1,199	273	180	4,073	3,472	-	-	65	36	90	47
Net changes in fair value of investments	3	(22,224)	85,129	6,989	28,677	(6,216)	31,249	16,735	42,057	(3,158)	1,425	(1,877)	4,263	(1,812)	18,686
Other income/(expense)		(15)	11	(10)	71	1	(66)	145	(100)	122	(235)	44	19	60	24
Total income/(loss)		(18,779)	87,583	7,311	29,954	(5,928)	31,371	20,992	45,453	(1,403)	3,066	(1,738)	4,344	(1,598)	18,783
Expenses															
Management fees	4 (a)(ii)	3,843	3,124	1,268	920	1,606	919	2,358	1,825	494	529	1,242	586	2,686	959
Performance fees	4 (a)(ii)	-	5,215	740	1,481	1,042	2,131	1,260	963	-	-	-	-	613	1,031
Brokerage fees		351	281	6	94	172	98	211	123	1	-	-	-	-	-
Supervisor fees	4 (a)(ii)	105	87	20	25	37	21	54	42	19	20	20	10	39	14
Registry fees	4 (a)(ii)	171	142	75	42	81	41	100	83	39	40	80	30	151	43
Custody, unit pricing and accounting fees	4 (a)(ii)	52	45	23	35	45	44	46	44	43	40	23	24	26	25
Auditor's fees - financial statements audit		9	8	8	9	9	8	9	8	9	8	8	7	8	7
Investor communication expenses		7	9	4	5	3	4	4	5	2	3	3	2	5	3
Regulatory related expenses		16	12	6	4	8	4	10	7	4	4	8	4	13	5
Total expenses		4,554	8,923	2,150	2,615	3,003	3,270	4,052	3,100	611	644	1,384	663	3,541	2,087
Net profit/(loss)		(23,333)	78,660	5,161	27,339	(8,931)	28,101	16,940	42,353	(2,014)	2,422	(3,122)	3,681	(5,139)	16,696
Other comprehensive income		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income/(loss)		(23,333)	78,660	5,161	27,339	(8,931)	28,101	16,940	42,353	(2,014)	2,422	(3,122)	3,681	(5,139)	16,696

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

Fisher Funds Managed Funds Scheme
For the year ended 31 March 2022

Statements of Cash Flows

	New Zealand Growth Fund		Australian Growth Fund		International Growth Fund		Property and Infrastructure Fund		Income Fund		Conservative Fund		Growth Fund	
	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
Cash flows from operating activities														
Cash was provided from:														
Sale of investments	69,011	39,402	2,686	20,545	42,753	21,869	52,285	30,047	25,936	17,706	19,709	4,146	47,096	6,131
Bank deposits matured	-	-	-	-	-	-	-	-	25,335	13,850	-	-	-	-
Interest received	45	32	8	7	13	9	39	26	1,589	1,961	32	26	64	25
Dividend income received	3,420	2,559	644	1,277	219	181	4,061	3,597	-	-	65	36	90	47
Other income	-	1	-	-	-	-	-	-	6	28	43	18	59	23
Cash was applied to:														
Purchase of investments	(77,374)	(67,823)	(13,663)	(22,677)	(71,904)	(41,499)	(75,859)	(36,972)	(32,773)	(26,619)	(72,221)	(38,425)	(178,009)	(69,582)
Investment in bank deposits	-	-	-	-	-	-	-	-	(7,385)	(12,330)	-	-	-	-
Expenses	(4,583)	(8,795)	(2,250)	(2,470)	(3,769)	(2,426)	(4,000)	(2,638)	(622)	(635)	(1,345)	(623)	(4,413)	(991)
Net settlement of derivatives	(1,201)	(10)	916	(2,401)	(958)	4,556	396	6,856	(181)	971	-	-	-	-
Net cash inflows/(outflows) from operating activities	(10,682)	(34,634)	(11,659)	(5,719)	(33,646)	(17,310)	(23,078)	916	11,905	(5,068)	(53,717)	(34,822)	(135,113)	(64,347)
Cash flows from financing activities														
Cash was provided from:														
Applications for units	62,084	75,897	27,398	13,458	62,845	32,587	56,282	32,851	13,500	28,105	92,109	55,825	191,092	90,888
PIE tax received	1,524	1,132	-	-	(647)	276	(545)	565	-	-	-	-	(269)	64
Cash was applied to:														
Withdrawals	(58,320)	(42,015)	(17,291)	(10,230)	(31,970)	(13,808)	(31,952)	(35,034)	(26,835)	(22,041)	(39,634)	(18,128)	(55,205)	(21,955)
PIE tax paid	-	-	546	(199)	-	-	-	-	(280)	(251)	(23)	(90)	-	-
Net cash inflows/(outflows) from financing activities	5,288	35,014	10,653	3,029	30,228	19,055	23,785	(1,618)	(13,615)	5,813	52,452	37,607	135,618	68,997
Net increase/(decrease) in cash and cash equivalents	(5,394)	380	(1,006)	(2,690)	(3,418)	1,745	707	(702)	(1,710)	745	(1,265)	2,785	505	4,650
Opening cash brought forward	10,448	10,068	1,583	4,422	4,710	2,958	5,195	5,884	6,474	5,950	3,934	1,149	5,577	927
Effect of exchange rate fluctuations	(270)	-	(11)	(149)	(10)	7	(76)	13	523	(221)	-	-	-	-
Ending cash carried forward	4,784	10,448	566	1,583	1,282	4,710	5,826	5,195	5,287	6,474	2,669	3,934	6,082	5,577

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

Fisher Funds Managed Funds Scheme
For the year ended 31 March 2022

Statements of Cash Flows (continued)

	New Zealand Growth Fund		Australian Growth Fund		International Growth Fund		Property and Infrastructure Fund		Income Fund		Conservative Fund		Growth Fund	
	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
Reconciliation of net profit/(loss) to cash flows from operating activities														
Net profit/(loss)	(23,333)	78,660	5,161	27,339	(8,931)	28,101	16,940	42,353	(2,014)	2,422	(3,122)	3,681	(5,139)	16,696
Non cash items														
Net unrealised changes in the fair value of investments	49,090	(75,384)	19,361	(25,161)	18,327	(17,353)	(1,991)	(29,990)	3,143	196	2,621	(4,069)	3,996	(18,441)
Net unrealised changes in the fair value of foreign exchange losses/(gains) on cash at bank	270	-	11	149	10	(7)	76	(13)	(523)	221	-	-	-	-
	<u>49,360</u>	<u>(75,384)</u>	<u>19,372</u>	<u>(25,012)</u>	<u>18,337</u>	<u>(17,360)</u>	<u>(1,915)</u>	<u>(30,003)</u>	<u>2,620</u>	<u>417</u>	<u>2,621</u>	<u>(4,069)</u>	<u>3,996</u>	<u>(18,441)</u>
Movements in working capital items														
Decrease/(increase) in trade and other receivables	(213)	2,413	1,488	(89)	1,917	(465)	2,234	2,592	(168)	(31)	549	(493)	759	(885)
Decrease/(increase) in related party receivables	-	-	-	-	-	-	-	-	-	-	(8)	567	(13)	876
Increase/(decrease) in trade and other payables	(823)	1,306	(143)	(1,408)	1,231	301	(284)	(250)	(248)	(75)	(1,500)	(72)	(1,886)	59
Increase/(decrease) in related party payables	(31)	118	(97)	140	(766)	840	50	457	(11)	7	48	879	(859)	2,463
Decrease/(increase) in bank deposits	-	-	-	-	-	-	-	-	18,318	1,520	-	-	-	-
Decrease/(increase) in other financial assets	-	-	-	-	-	-	-	-	(2,322)	-	-	-	-	-
Decrease/(increase) in cost of underlying investments carried at fair value	(34,766)	(42,113)	(37,331)	(6,732)	(44,674)	(29,075)	(39,562)	(14,753)	(4,236)	(9,707)	(51,853)	(35,884)	(131,178)	(65,948)
	<u>(35,833)</u>	<u>(38,276)</u>	<u>(36,083)</u>	<u>(8,089)</u>	<u>(42,292)</u>	<u>(28,399)</u>	<u>(37,562)</u>	<u>(11,954)</u>	<u>11,333</u>	<u>(8,286)</u>	<u>(52,764)</u>	<u>(35,003)</u>	<u>(133,177)</u>	<u>(63,435)</u>
Items classified as financing activities														
Movements in payables/receivables attributable to financing activities	(876)	366	(109)	43	(760)	348	(541)	520	(34)	379	(452)	569	(793)	833
Net cash inflows/(outflows) from operating activities	<u>(10,682)</u>	<u>(34,634)</u>	<u>(11,659)</u>	<u>(5,719)</u>	<u>(33,646)</u>	<u>(17,310)</u>	<u>(23,078)</u>	<u>916</u>	<u>11,905</u>	<u>(5,068)</u>	<u>(53,717)</u>	<u>(34,822)</u>	<u>(135,113)</u>	<u>(64,347)</u>

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

**Fisher Funds Managed Funds 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 Managed Funds Scheme ("the Scheme"). The Scheme is made up of seven funds ("the Funds"):

- Fisher Funds New Zealand Growth Fund ("New Zealand Growth Fund")
- Fisher Funds Australian Growth Fund ("Australian Growth Fund")
- Fisher Funds International Growth Fund ("International Growth Fund")
- Fisher Funds Property and Infrastructure Fund ("Property and Infrastructure Fund")
- Fisher Funds Income Fund ("Income Fund")
- Fisher Funds Conservative Fund ("Conservative Fund")
- Fisher Funds Growth Fund ("Growth Fund")

The Funds are Portfolio Investment Entities ("PIEs"), meaning income is taxed in the hands of the unit holders. The Manager attributes the taxable income of the Funds to unit holders 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. The Scheme is also registered as a Managed Investment Scheme in accordance with the Financial Markets Conduct Act 2013.

(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 and the FMC 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 relates to the re-presentation of the Supervisor as a related party (refer to note 4 for further information).

(e) Unit holders' Funds

Units issued by the funds provide the unit holders with the right to require redemption for cash at the value proportionate to the unit holders' 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 Statement of Changes in Unit Holders' Funds, whereas any non-owner changes in equity are presented in the income section of the Statements of Comprehensive Income.

(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.

Fisher Funds Managed Funds 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.

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

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.

	New Zealand Growth Fund		Australian Growth Fund		International Growth Fund		Property and Infrastructure		Income Fund		Conservative Fund		Growth Fund	
	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
Market risk														
Equities, PIE funds, litigation securities, futures and options:														
Carrying amount	266,534	280,646	99,418	82,131	118,478	94,420	197,376	157,836	-	-	121,648	75,392	245,763	124,165
Impact of a +/- 20% change in market prices	53,307	56,129	19,884	16,426	23,696	18,884	39,475	31,567	-	-	24,330	15,078	49,153	24,833
Interest rate risk														
Cash and cash equivalents, debt securities, bank deposits and swaps:														
Re-pricing profile:														
Up to 90 days	4,784	10,448	566	1,583	1,282	4,710	5,826	5,195	6,203	11,527	2,669	3,934	6,082	5,577
91 days - 1 year	-	-	-	-	-	-	-	-	1,822	15,983	-	-	-	-
1-5 years	-	-	-	-	-	-	-	-	25,072	19,185	-	698	-	566
5+ years	-	-	-	-	-	-	-	-	22,609	25,532	-	579	-	475
Cash and cash equivalents:														
Carrying amount	4,784	10,448	566	1,583	1,282	4,710	5,826	5,195	5,287	6,474	2,669	3,934	6,082	5,577
Impact of a +/- 1% change in interest rates	48	104	6	16	13	47	58	52	53	65	27	39	61	56
Debt securities, bank deposits and swaps:														
Carrying amount	-	-	-	-	-	-	-	-	50,419	65,753	-	1,278	-	1,042
Impact of a +/- 1% change in interest rates	-	-	-	-	-	-	-	-	1,450	1,980	-	122	-	100
Currency risk														
Net currency exposures for cash and investments in NZD equivalents:														
NZD	238,139	257,679	566	450	869	4,224	62,092	64,674	27,652	38,579	128,574	80,604	258,471	130,784
AUD	32,967	33,415	99,418	82,581	11	11	38,200	23,397	8,917	10,543	-	-	-	-
EUR	-	-	-	-	14	5,990	8,113	9,243	8,987	7,649	-	-	-	-
GBP	-	-	-	-	3,279	3,342	-	-	2,350	2,714	-	-	-	-
JPY	-	-	-	-	(176)	38	-	-	-	-	-	-	-	-
USD	-	-	-	-	110,160	80,608	87,043	59,448	6,606	11,301	-	-	-	-
Others	-	-	-	-	6,747	3,772	8,098	4,600	1,434	1,250	-	-	-	-
	271,106	291,094	99,984	83,031	120,904	97,985	203,546	161,362	55,946	72,036	128,574	80,604	258,471	130,784

Fisher Funds Managed Funds 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 unit holders. Liquidity risk is managed by holding sufficient liquid investments to enable the Scheme to meet liabilities as they fall due and unit holder withdrawals when requested. Monies received from unit holder contributions may be used to offset withdrawals and the Manager may in certain circumstances suspend withdrawals.

The Manager manages liquidity risk by monitoring 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.

The Conservative and Growth Funds have investments in the Fisher Institutional Property Fund ("FIPF"), as per Note 4(c). Units in FIPF 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 Financial Position.

The Scheme manages its unit holders' funds as capital. All units in each Fund carry the same rights, preferences and restrictions. The Supervisor may defer giving effect to a permitted withdrawal 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. Financial instruments that subject the Scheme to credit risk consist primarily of cash and cash equivalents, fixed interest investments, swaps and forward foreign exchange contracts. 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, bank deposits at amortised cost, and long term credit ratings for debt securities, swaps and forward foreign exchange contracts at fair value through profit or loss held by the Scheme:

Credit rating	New Zealand Growth Fund		Australian Growth Fund		International Growth Fund		Property and Infrastructure		Income Fund		Conservative Fund		Growth Fund	
	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	-	-	-	-	-	-	-	-	9,233	15,376	-	1,278	-	1,041
AA- to AA+	4,572	10,448	566	(233)	2,014	3,080	5,022	1,186	12,227	20,987	2,669	3,934	6,082	5,578
A- to A+	-	-	-	1,133	412	485	1,148	2,340	5,950	8,104	-	-	-	-
BBB- to BBB+	-	-	-	-	-	-	-	-	10,703	13,514	-	-	-	-
BB- to BB+	-	-	-	-	-	-	-	-	7,402	6,535	-	-	-	-
B- to B+	-	-	-	-	-	-	-	-	3,188	1,438	-	-	-	-
CCC- to CCC+	-	-	-	-	-	-	-	-	1,114	1,098	-	-	-	-
Unrated	-	-	-	-	-	-	-	-	6,129	4,984	-	-	-	-
	4,572	10,448	566	900	2,426	3,565	6,170	3,526	55,946	72,036	2,669	5,212	6,082	6,619

Fisher Funds Managed Funds Scheme
For the year ended 31 March 2022

Notes to the Financial Statements

2 Risk (continued)

(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 Financial Position. The Funds have exposure of greater than 10% of net assets with any one counterparty as shown in the table below. Although less than 10%, the exposure to these same counterparties by the other Funds are also shown for completeness.

		New Zealand Growth Fund		Australian Growth Fund		International Growth Fund		Property and Infrastructure		Income Fund		Conservative Fund		Growth Fund	
		2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
ANZ Banking Group	Fair Value \$000	4,786	10,448	566	4,124	869	4,224	4,678	2,855	6,049	4,325	2,667	3,934	6,082	5,577
	% Net Assets	1.76%	3.58%	0.57%	4.87%	0.73%	4.30%	2.31%	1.77%	10.55%	5.97%	2.06%	4.94%	2.35%	4.34%
ASB Bank Limited	Fair Value \$000	-	-	-	-	-	-	-	-	-	7,991	-	-	-	-
	% Net Assets	-	-	-	-	-	-	-	-	-	11.04%	-	-	-	-

The Manager moderates credit risk through careful security selection and diversification, daily monitoring of the Scheme's market position and adherence to the Scheme's investment policy.

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 Comprehensive Income. 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. Derivative instruments which are primarily forward foreign exchange contracts, futures and options contracts and interest rate swaps. The use of derivatives is governed by investment guidelines which are set by the Manager with the approval of the Supervisor. Where derivative instruments are used to economically hedge currency risk, hedge accounting is not applied and derivatives are accounted for on the same basis as those investments being hedged and are recognised at their fair value.

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

		New Zealand Growth Fund		Australian Growth Fund		International Growth Fund		Property and Infrastructure		Income Fund		Conservative Fund		Growth Fund	
		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
Investment assets at fair value through profit or loss		266,534	280,646	-	82,131	118,478	94,420	197,376	157,836	-	-	-	-	-	-
Listed equities		266,534	280,646	-	82,131	118,478	94,420	197,376	157,836	-	-	-	-	-	-
Debt securities		-	-	-	-	-	-	-	-	49,004	47,647	-	1,278	-	1,042
PIE funds ¹		-	-	99,418	-	-	-	-	-	-	-	121,648	73,606	245,763	121,500
Derivative assets:		-	-	-	-	-	-	-	-	75	-	-	-	-	-
Interest rate and other swaps		-	-	-	-	-	-	-	-	75	-	-	-	-	-
Forward foreign exchange contracts		-	-	-	-	1,381	139	561	-	323	211	-	-	-	-
Current assets		266,534	280,646	99,418	82,131	119,859	94,559	197,937	157,836	49,402	47,858	121,648	74,884	245,763	122,542
PIE funds ¹		-	-	-	-	-	-	-	-	-	-	4,257	1,786	6,626	2,665
Non-current assets		-	-	-	-	-	-	-	-	-	-	4,257	1,786	6,626	2,665
Total investment assets at fair value through profit or loss		266,534	280,646	99,418	82,131	119,859	94,559	197,937	157,836	49,402	47,858	125,905	76,670	252,389	125,207

¹All 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.

Fisher Funds Managed Funds Scheme
For the year ended 31 March 2022

Notes to the Financial Statements

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

Investment liabilities at fair value through profit or loss	New Zealand Growth Fund		Australian Growth Fund		International Growth Fund		Property and Infrastructure		Income Fund		Conservative Fund		Growth Fund	
	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
Derivative liabilities: Interest rate and other swaps	-	-	-	-	-	-	-	-	982	212	-	-	-	-
Futures and options	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Forward foreign exchange contracts	212	-	-	683	237	1,284	217	1,669	83	402	-	-	-	-
Current liabilities	212	-	-	683	237	1,284	217	1,669	1,065	614	-	-	-	-
Total investment liabilities at fair value through profit or loss	212	-	-	683	237	1,284	217	1,669	1,065	614	-	-	-	-

(b) Net changes in fair value of investments

	New Zealand Growth Fund		Australian Growth Fund		International Growth Fund		Property and Infrastructure		Income Fund		Conservative Fund		Growth Fund	
	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
Listed equities	(20,811)	85,139	1,042	30,534	(5,107)	27,497	16,776	36,138	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-	-	(3,146)	(673)	7	(29)	13	(25)
PIE funds	-	-	5,268	-	-	-	-	-	-	-	(1,884)	4,292	(1,825)	18,711
Interest rate swaps	-	-	-	-	-	-	-	-	(689)	(267)	-	-	-	-
Futures and options	-	-	-	-	-	-	-	-	-	68	-	-	-	-
Forward foreign exchange contracts	(1,413)	(10)	679	(1,857)	(1,109)	3,752	(41)	5,919	677	2,297	-	-	-	-
Total net changes in fair value of investments	(22,224)	85,129	6,989	28,677	(6,216)	31,249	16,735	42,057	(3,158)	1,425	(1,877)	4,263	(1,812)	18,686

(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.

Fisher Funds Managed Funds Scheme
For the year ended 31 March 2022

Notes to the Financial Statements

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

The table below categorises investment by fair value hierarchy:

Fair value hierarchy	New Zealand Growth Fund		Australian Growth Fund		International Growth Fund		Property and Infrastructure		Income Fund		Conservative Fund		Growth Fund	
	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	266,534	280,646	-	82,131	118,478	94,420	197,376	157,836	-	1,837	-	1,278	-	1,042
Level 2	(212)	-	99,418	(683)	1,144	(1,145)	344	(1,659)	43,265	41,197	125,905	75,392	252,389	124,165
Level 3	-	-	-	-	-	-	-	-	5,072	4,210	-	-	-	-
Total investments at fair value through profit or loss	266,322	280,646	99,418	81,448	119,622	93,275	197,720	156,167	48,337	47,244	125,905	76,670	252,389	125,207

Level 1 investments comprise active listed debt or equity securities.

Level 2 investments comprise of:

- (i) PIE funds: The PIE investments are not traded in an active market and their fair value is based primarily on the latest available redemption price at balance date of the respective PIE funds.
- (ii) Debt securities and swaps: Fair value for fixed interest investments that are either unlisted or listed but not active, and for swaps, is based on valuation techniques, such as benchmark models, net present value techniques, and comparison to similar instruments for which market observable prices exist and valuation models.
- (iii) Other derivative contracts: Fair value for forward foreign exchange rate and other derivative contracts is determined using valuation techniques based on spot exchange rates, forward points and prices supplied by reputable pricing vendors.

Level 3 investments: Fair value for unlisted investments, where no observable market data for significant inputs is available for the valuation techniques applied, or are based on valuation techniques that are determined by the Manager on a case by case basis and approved by the Supervisor. These comprise:

- (i) Debt securities: the Manager calculates a valuation based on the monthly pricing information supplied by reputable pricing vendors.
- (ii) Unlisted litigation securities: the Manager calculates a valuation based on the present value of the future distributions that are estimated to be received, after applying a 10% discount rate.

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:

	New Zealand Growth Fund		Australian Growth Fund		International Growth Fund		Property and Infrastructure		Income Fund		Conservative Fund		Growth Fund	
	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
Debt securities														
Opening balance	-	-	-	-	-	-	-	-	4,210	2,692	-	-	-	-
Purchases	-	-	-	-	-	-	-	-	3,588	3,848	-	-	-	-
Sales	-	-	-	-	-	-	-	-	(2,690)	(1,520)	-	-	-	-
Transfers from level 2 to level 3	-	-	-	-	-	-	-	-	-	610	-	-	-	-
Transfers from level 3 to level 2	-	-	-	-	-	-	-	-	-	(1,426)	-	-	-	-
Gains/(losses) recognised in profit or loss	-	-	-	-	-	-	-	-	(36)	6	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	5,072	4,210	-	-	-	-
Unlisted litigation securities														
Opening balance	-	-	-	14	-	-	-	-	-	-	-	-	-	-
Gains/(losses) recognised in profit or loss	-	-	-	(14)	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in unrealised gains/(losses) for the year included in profit or loss for level 3 investment assets held at balance date	-	-	-	(14)	-	-	-	-	(36)	6	-	-	-	-

**Fisher Funds Managed Funds 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 1.25% (plus GST) per annum ("p.a.") of the gross asset value ("GAV") of the New Zealand Growth Fund, the Australian Growth Fund, the International Growth Fund, the Growth Fund and the Property and Infrastructure Fund. The management fee is 1.10% (plus GST) for the Conservative Fund and 0.75% (plus GST) of the GAV of the Income Fund. Management fees are calculated daily and payable monthly.

The Manager is also entitled to be paid a performance fee where the returns to unit holders 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 as the percentage change in the NZ Official Cash Rate ("OCR") plus 5% for the New Zealand Growth Fund, Australian Growth Fund and International Growth Fund and plus 3% for the Property and Infrastructure Fund. The Income Fund Benchmark Return is the return that would have been achieved if the Fund has been invested in government stock, as measured by the percentage change in the New Zealand Government Stock Gross Index. No performance fees are earned or payable on the Conservative Fund or Income Fund.

A high water mark applies to ensure management 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% (plus GST) of the return in excess of the Benchmark Return or
- 10% (plus GST) of the 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.

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

	New Zealand Growth Fund		Australian Growth Fund		International Growth Fund		Property and Infrastructure		Income Fund		Conservative Fund		Growth Fund	
	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
Fisher Funds Management Limited:														
Rebates received	-	-	-	-	-	-	-	-	-	-	44	19	60	24
Total Fisher Funds Management Limited	-	-	-	-	-	-	-	-	-	-	44	19	60	24
Total related party income earned	-	-	-	-	-	-	-	-	-	-	44	19	60	24

(ii) Related party fees incurred

	New Zealand Growth Fund		Australian Growth Fund		International Growth Fund		Property and Infrastructure		Income Fund		Conservative Fund		Growth Fund	
	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
Fisher Funds Management Limited:														
Management fees	3,843	3,124	1,268	920	1,606	919	2,358	1,825	494	529	1,242	586	2,686	959
Performance fees	-	5,215	740	1,481	1,042	2,131	1,260	963	-	-	-	-	613	1,031
Total Fisher Funds Management Limited	3,843	8,339	2,008	2,401	2,648	3,050	3,618	2,788	494	529	1,242	586	3,299	1,990
Trustees Executors Limited:														
Supervisor fees	105	87	20	25	37	21	54	42	19	20	20	10	39	14
Custody, unit pricing and accounting fees	52	45	23	35	45	44	46	44	43	40	23	24	26	25
Registry fees	171	142	75	42	81	41	100	83	39	40	80	30	151	43
Total Trustees Executors Limited	328	274	118	102	163	106	200	169	101	100	123	64	216	82
Total related party fees incurred	4,171	8,613	2,126	2,503	2,811	3,156	3,818	2,957	595	629	1,365	650	3,515	2,072

Fisher Funds Managed Funds Scheme
For the year ended 31 March 2022

Notes to the Financial Statements

4 Related parties (continued)

(a) Transactions and balances with related parties (continued)

(iii) Related party receivables

	New Zealand Growth Fund		Australian Growth Fund		International Growth Fund		Property and Infrastructure		Income Fund		Conservative Fund		Growth Fund	
	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
Fisher Funds Management Limited:														
Rebates receivable	-	-	-	-	-	-	-	-	-	-	14	6	21	8
Total Fisher Funds Management Limited	-	-	-	-	-	-	-	-	-	-	14	6	21	8
Total related party fees receivable	-	-	-	-	-	-	-	-	-	-	14	6	21	8

(iv) Related party payables

	New Zealand Growth Fund		Australian Growth Fund		International Growth Fund		Property and Infrastructure		Income Fund		Conservative Fund		Growth Fund	
	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
Fisher Funds Management Limited:														
Management fees payable	289	321	105	95	128	110	212	179	38	50	121	76	272	137
Performance fees payable	-	-	-	108	-	789	437	425	-	-	-	-	-	1,005
Total Fisher Funds Management Limited	289	321	105	203	128	899	649	604	38	50	121	76	272	1,142
Trustees Executors Limited:														
Supervisor fees payable	8	8	2	2	3	2	5	4	1	2	2	1	4	2
Custody fees payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Registry fees payable	15	15	8	4	8	5	11	8	4	4	9	4	19	7
Unit pricing and accounting fees payable	9	8	5	8	9	8	9	8	14	12	5	8	5	8
Total Trustees Executors Limited	32	31	15	14	20	15	25	20	19	18	16	13	28	17
Total related party fees payable	321	352	120	217	148	914	674	624	57	68	137	89	300	1,159

Investment transactions with related entities

- (b) 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.

	New Zealand Growth Fund		Australian Growth Fund		International Growth Fund		Property and Infrastructure		Income Fund		Conservative Fund		Growth Fund	
	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 ⁽¹⁾	6,011	-	-	-	1,453	-	-	-	2,613	59	25	133	2,542	99
Sales of investments ⁽¹⁾	3,059	-	85,300	-	259	-	388	1,013	4,790	1,497	-	-	-	-
Unsettled purchases of investments	-	-	-	-	-	-	-	-	-	-	-	1,400	-	1,920
Unsettled sales of investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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

On 25 May 2021, there was an in-specie transfer of all listed equities held by the Fisher Funds Australian Growth Fund for units in the newly established Fisher Institutional Australian Equity Fund to improve operational efficiency. The fair value of these listed equities at the time of transfer was \$85,162,330. These amounts are included in the total sales of investments from related entities under the Australian Growth Fund.

Fisher Funds Managed Funds 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 or loss, if any. The Scheme's investments in other funds managed by the Manager (PIE Funds per Note 3) are as follows:

	New Zealand Growth Fund		Australian Growth Fund		International Growth Fund		Property and Infrastructure		Income Fund		Conservative Fund		Growth Fund	
	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
Current assets:														
Fisher Institutional New Zealand Cash Fund	-	-	-	-	-	-	-	-	-	-	13,946	12,972	-	2,718
Fisher Institutional New Zealand Fixed Interest Fund	-	-	-	-	-	-	-	-	-	-	31,332	20,452	20,509	12,638
Fisher Institutional Australian Equity Fund	-	-	99,418	-	-	-	-	-	-	-	-	-	-	-
Fisher Institutional Global Value Fund	-	-	-	-	-	-	-	-	-	-	4,448	-	33,115	-
Fisher Institutional Inflation Linked Bond Fund	-	-	-	-	-	-	-	-	-	-	3,664	-	7,428	-
Fisher Institutional International Equity Fund	-	-	-	-	-	-	-	-	-	-	6,695	4,178	49,595	20,063
Fisher Institutional International Hedged Equity Fund	-	-	-	-	-	-	-	-	-	-	6,802	1,982	13,841	14,955
Fisher Institutional Select Global Equities Fund	-	-	-	-	-	-	-	-	-	-	4,326	3,284	31,784	19,008
Fisher Institutional Trans Tasman Equities Fund	-	-	-	-	-	-	-	-	-	-	7,831	4,341	66,724	36,833
Fisher Institutional Property & Infrastructure Fund	-	-	-	-	-	-	-	-	-	-	1,676	5,160	12,351	7,670
Fisher Institutional Property Fund	-	-	-	-	-	-	-	-	-	-	1,952	1,159	2,911	1,392
Fisher Institutional Global Fixed Income Fund	-	-	-	-	-	-	-	-	-	-	38,976	20,078	7,505	6,223
Total current assets	-	-	99,418	-	-	-	-	-	-	-	121,648	73,606	245,763	121,500
Non-current assets:														
Fisher Institutional Property Fund	-	-	-	-	-	-	-	-	-	-	4,257	1,786	6,626	2,665
Total non-current assets	-	-	-	-	-	-	-	-	-	-	4,257	1,786	6,626	2,665
Total investments in related entities	-	-	99,418	-	-	-	-	-	-	-	125,905	75,392	252,389	124,165

	New Zealand Growth Fund		Australian Growth Fund		International Growth Fund		Property and Infrastructure		Income Fund		Conservative Fund		Growth Fund	
	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
5 Interest income														
Interest on investment assets at amortised cost	47	32	6	7	14	8	39	24	191	384	14	7	28	11
Interest on investment assets at fair value through profit or loss	-	-	-	-	-	-	-	-	1,442	1,492	16	19	36	15
	47	32	6	7	14	8	39	24	1,633	1,876	30	26	64	26

Interest income on investment assets at amortised cost is recognised in the Statements of Comprehensive Income as interest accrues using the effective interest rate method. All other interest income is recognised at fair value through profit or loss.

6 Capital commitments and contingent liabilities

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

7 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 [New Zealand Growth Fund, Australian Growth Fund, International Growth Fund, Property and Infrastructure Fund, and the 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 New Zealand Growth Fund
- Fisher Funds Australian Growth Fund
- Fisher Funds International Growth Fund
- Fisher Funds Property and Infrastructure Fund
- Fisher Funds Income Fund
- Fisher Funds Conservative Fund
- Fisher Funds Growth Fund

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

Report on the audit of the financial statements

Opinion

In our opinion, the financial statements of Fisher Funds Managed Funds Scheme (the 'funds and scheme') on pages 2 to 15:

- i. 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
- ii. 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 financial position as at 31 March 2022;
- the statements of changes in unit holders' funds, comprehensive income 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 of the KPMG firm, written in black ink. The letters 'KPMG' are written in a cursive, slightly slanted style.

KPMG
Auckland

1 July 2022