



# WESTPAC KIWISAVER SCHEME

Annual Report for the year ended 31 March 2023.



# Contents

Market commentary for the year ended 31 March 2023.....	3
Highlights for the year ended 31 March 2023 .....	4
Details of Scheme .....	5
Information on contributions and Scheme participants.....	5
Changes relating to the Scheme .....	6
Other information for particular types of managed funds .....	7
Changes to persons involved in the Scheme.....	8
How to find further information .....	9
Contact details and complaints.....	9

# Market commentary for the year ended 31 March 2023

Economies around the world quickly recovered as COVID-19 restrictions were eased, and the benefits of large amounts of economic stimulus, in the form of low interest rates and government spending, came into play. However, the pace of the recovery was at an unsustainable rate, because the availability of goods and services failed to keep pace with demand. This led to sharp increases in inflation, increasing the cost of living for households in New Zealand and around the world. As a result, central banks, including the Reserve Bank of NZ, have progressively removed that stimulus by raising interest rates as they try to take the heat out of economies and reduce inflation. These high rates of inflation and the prospect of slowing economic activity ahead have weighed heavily on investment returns, negatively impacting equity (shares) and fixed interest (bond) markets globally, with both experiencing negative returns over the year - a very rare event.

Over time Westpac KiwiSaver Scheme members will continue to see their balances move up and down, however, it's important to remember:

- Your Westpac KiwiSaver Scheme account is an investment so the value of your account will move with the investment markets;
- When the market dips, your new contributions buy assets at a cheaper price and benefit from any potential market recovery;
- It's important to ensure you're in the right fund for your circumstances and investment timeframe.



**Nigel Jackson**

Chief Executive Officer  
BT Funds Management (NZ) Limited

This market commentary is provided by BT Funds Management (NZ) Limited (BTNZ). It is provided for information purposes only and has been prepared without taking into account the financial situation or goals of any person. Because of this, before making any changes to your investment, you should consider the appropriateness of the information, having regard to your particular financial situation or goals. You should contact a Westpac Financial Adviser if you would like further information or any financial advice regarding your particular financial situation. Any views or opinions expressed in this market commentary are based on information current at the time from sources which BTNZ believes to be reliable but may involve material elements of subjective judgement and analysis. No representation is made as to the accuracy or currency of the information contained in this update and none of BTNZ, Westpac or their related companies accepts any liability for any loss or damage related to the use of any information contained in it. Past performance is not a reliable indicator of future performance.

# Highlights at a glance



**424,535** Scheme members  
at 31 March 2023



**Finalist** in Mindful Money's  
Best Net Zero and Climate  
Action Investor Award 2022.



Named as a **New Zealand  
Responsible Investment  
leader 2022** by the Responsible  
Investment Association  
of Australasia.



**3,513** of our members made a  
first home withdrawal from the  
Westpac KiwiSaver Scheme



Total funds under management  
for the Scheme was  
**\$9,621,843,405** at  
31 March 2023



Finalist in Research IP's  
**Responsible Investment  
Manager of the Year 2022**



# Details of Scheme

- The Westpac KiwiSaver Scheme (Scheme) is a registered KiwiSaver Scheme.
- BT Funds Management (NZ) Limited (BTNZ, us, we or the Manager) is the Manager of the Scheme.
- The New Zealand Guardian Trust Company Limited (Supervisor) is the Supervisor of the Scheme.
- The latest Product Disclosure Statement (PDS) is dated 14 June 2023 and is open for applications.
- The latest fund updates for the quarter ended 30 June 2023 were made publicly available on 31 July 2023
- The latest financial statements and auditor's report were dated 21 July 2023 and were lodged with the Registrar on 28 July 2023.

## Information on contributions and Scheme participants

### Membership changes

For the year ended 31 March 2023 (year), the numerical changes in the membership of the Scheme were:

<b>Total members at 1 April 2022</b>	<b>423,111</b>
<b>Total members at 31 March 2023</b>	<b>424,535</b>
Contributing members at 1 April 2022 <sup>1</sup>	276,225
Contributing members at 31 March 2023	284,595
Non-contributing members at 1 April 2022 <sup>1</sup>	146,897
Non-contributing members at 31 March 2023	140,005
<b>Total new members</b>	<b>22,587</b>
New members transferred from other schemes	6,787
Other new members	15,797
<b>Total number of members who left the Scheme during the year</b>	<b>24,793</b>
Retirement	5,269
Death	704
Transferred to other schemes	17,398
Other reasons	1,422

<sup>1</sup>This has been revised so differs from the 31 March 2022 figure included in last year's Annual Report. The number of contributing members was previously recorded as 309,617 and the number of non-contributing members was recorded as 102,714.

<b>Accumulations</b>	<b>Members</b>	<b>Total amount</b>
Member accumulations at 1 April 2022	423,111	\$9,350,364,835
Member accumulations at 31 March 2023	424,535	\$9,621,843,405
<b>Contributions</b>	<b>Members</b>	<b>Total amount</b>
Member contributions	271,410	\$598,537,460
Employer contributions	264,986	\$325,854,823
Member voluntary contributions	42,619	\$112,859,297
<b>Total contributions</b>		<b>\$1,037,251,580</b>

## Changes relating to the Scheme

This section outlines material changes to the Scheme for the year ended 31 March 2023.

The PDS and Statement of Investment Policy and Objectives (SIPO) were updated to reflect:

- The strategic asset allocations for funds that invest in a mix of different asset classes, being updated to increase exposure to international assets and reduce exposure to New Zealand assets.
- Commodities being introduced as a new permitted asset class for all funds except the Cash Fund.
- The Australasian equities asset class being broadened to include an allocation to Australian equities alongside New Zealand equities. The Australasian equities index was also updated in line with this change.

The PDS and Other Material Information (OMI) were updated to provide further clarification on the potential inflation and interest rate risks associated with investing in the Scheme.

The OMI update also included additional detail on new ways members can change contribution rates.

The Other Material Information – Underlying Investment Managers (OMI-UIM) was updated to remove one of the global equity managers.

The Sustainable Investment Policy was updated to provide additional clarity on our approach to sustainable investment and implementation status.

All related party transactions were conducted on arm's length terms and enacted on standard commercial terms.

# Other information for particular types of managed funds

## Member withdrawals.

During the year, the following withdrawals were made from the Scheme:

Withdrawal Type	Number of members
Retirement*	10,595
Death	704
Transfers to other Schemes**	17,398
Significant Financial Hardship	2,195
Serious Illness	300
First Home	3,513
Permanent Emigration (other than to Australia)	219
Life shortening congenital conditions	4
Other	750
<b>Total</b>	<b>35,678</b>

\*Includes initial and subsequent withdrawals. \*\*Includes transfers to complying Australian superannuation schemes.

## Unit prices.

Fund Name	Unit Price as at:	
	1 April 2022	31 March 2023
Cash Fund	\$1.4661	\$1.5124
Defensive Conservative Fund	\$1.3681	\$1.3546
Conservative Fund	\$1.9059	\$1.8741
Moderate Fund	\$1.4957	\$1.4622
Default Balanced Fund	\$0.9694	\$0.9457
Balanced Fund	\$2.2481	\$2.1777
Growth Fund	\$2.4373	\$2.3418
CPP Fund No. 5	\$2.7110	Matured <sup>1</sup>

<sup>1</sup>The fund matured on 30 September 2022 and members' investments were transferred to the Westpac KiwiSaver Scheme Conservative Fund on 30 September 2022. The unit price on 30 September 2022 was \$2.4002.

## **Manager Statement.**

All benefits required to be paid from the Scheme in accordance with the terms of the Trust Deed and KiwiSaver Scheme rules have been paid, except where some individuals received less than their full benefit entitlement due to errors relating to the administration of the Scheme. In such cases, the appropriate compensation and/or communication is determined by Westpac's customer remediation policies and procedures.

The market value of the Scheme property at 31 March 2023 equalled or exceeded the total value of benefits that would have been payable had all members of the Scheme ceased to be members at that date and had provision been made for the continued payment of all benefits being paid to members and other beneficiaries as at 31 March 2023

# **Changes to persons involved in the Scheme**

During the year the following changes were made to the people involved in the Scheme:

## **Manager, directors of the Manager and key personnel of the Manager.**

The Manager was unchanged. However, the following changes were made to the Manager's directors:

- Karen Silk resigned as a director 14 April 2022.
- Ian New resigned as an Executive Director on 29 April 2022 and was appointed as a Non-Independent Non-Executive Director on 8 July 2022.
- Tania O'Brien was appointed as a director on 12 May 2022.
- Ian Hankins was appointed as a director on 13 May 2022 and resigned as a director on 22 August 2022.
- Andrew Bashford was appointed as a director on 22 August 2022.
- David Green was appointed as a director on 6 March 2023.

There were no changes to the Manager's key personnel for the year ended 31 March 2023.

## **Supervisor and its directors.**

The Supervisor was unchanged. However, the following change was made to the Supervisor's directors:

- Sarah Graydon was appointed as a director on 20 March 2023.

## **Administration manager, investment manager, securities registrar, custodian, and auditor of the Scheme.**

While there were no changes to the administration manager, investment manager, securities registrar, custodian or auditor of the Scheme, the administration manager's name legally changed from MMC Limited to Apex Investment Administration (NZ) Limited.

For details of the underlying investment managers, see the offers register at [disclose-register.companiesoffice.govt.nz](https://disclose-register.companiesoffice.govt.nz) (Disclose) and search for the 'Westpac KiwiSaver Scheme'.



# How to find further information

Further information about the Scheme and each fund within the Scheme can be found on both the offers and schemes register on the **Disclose** website, by searching for the 'Westpac KiwiSaver Scheme' on each register. The information includes:

## On the offers register:

- the PDS, OMI and other information material to the offer of units in the Scheme (including the Sustainable Investment Policy); and
- the fund updates.


## On the schemes register:

- the governing documents (including the Trust Deed and any establishment deeds);
- the SIPO; and
- the most recent financial statements.

A copy of this information is also available on request from the Manager free of charge. The PDS, this annual report and fund updates are also available on our website at [westpac.co.nz](https://www.westpac.co.nz).

# Contact details and complaints

We are here to help, so if you would like to get in touch, including where you have a complaint you would like to raise, you can:

 **Senior Investment Operations Manager**

**Westpac KiwiSaver Scheme**

**PO Box 695**

**Wellington 6140.**

 **[kiwisaverhelp@westpac.co.nz](mailto:kiwisaverhelp@westpac.co.nz)**

 **0508 972 254**

 **Any Westpac branch**

If for any reason we can't resolve things, you can contact the Supervisor of the Scheme as follows:

-  **Relationship Manager, Corporate Trust**  
**The New Zealand Guardian Trust Company Limited**  
Level 6, 191 Queen Street  
Auckland. 1010  
PO Box 274, Auckland 1140.
-  [ct-auckland@nzgt.co.nz](mailto:ct-auckland@nzgt.co.nz)
-  09 909 5100
-  0800 300 299

If neither we nor the Supervisor can resolve your complaint you can also contact the following independent dispute resolution schemes:

### **The Manager's dispute resolution scheme.**

#### **The Banking Ombudsman.**

-  Freepost 218002  
PO Box 25327, Featherston Street  
Wellington 6146.
-  [help@bankomb.org.nz](mailto:help@bankomb.org.nz)
-  [bankomb.org.nz](http://bankomb.org.nz)
-  0800 805 950
-  Level 5, Huddart Parker Building  
1 Post Office Square  
Wellington 6011.

### **The Supervisor's dispute resolution scheme.**

#### **Financial Services Complaints Limited.**

-  PO Box 5967  
Wellington 6140.
-  [complaints@fscl.org.nz](mailto:complaints@fscl.org.nz)
-  [fscl.org.nz](http://fscl.org.nz)
-  0800 347 257
-  Level 4, 101 Lambton Quay  
Wellington 6011.

Neither of the above dispute resolution schemes will charge you a fee to investigate or resolve a complaint.



BTNZ is the Scheme provider and Westpac New Zealand Limited is a distributor of the Scheme. Investments made in the Scheme do not represent bank deposits or other liabilities of Westpac Banking Corporation ABN 33 007 457 141, Westpac New Zealand Limited or other members of the Westpac Group of companies. They are subject to investment and other risks, including possible delays in payment of withdrawal amounts in some circumstances, and loss of investment value, including principal invested. None of BTNZ, any member of the Westpac Group of companies, The New Zealand Guardian Trust Company Limited (as Supervisor), or any director or nominee of any of those entities, or any other person guarantees the Scheme's performance, returns or repayment of capital.