

# Westpac KiwiSaver Scheme.

**Annual Report**

for the year ended 31 March 2020.



## 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 29 May 2020 and is open for applications.
- The latest fund updates for the quarter ended 30 June 2020 were made publicly available on 28 July 2020.
- The latest financial statements and auditor's report were dated 28 July 2020 and were lodged with the Registrar on 31 July 2020.

## Information on contributions and Scheme participants.

### Membership changes

For the year ended 31 March 2020, the numerical changes in the membership of the Scheme were:

Total number of members at 1 April 2019	394,723
Total number of members at 31 March 2020	391,533
Total number of contributing members at 1 April 2019	287,435
Total number of contributing members at 31 March 2020	287,450
Total number of non-contributing members at 1 April 2019	107,288
Total number of non-contributing members at 31 March 2020	104,083

Total number of persons who became members during the year, consisting of:	19,294
Transfers in from other schemes	7,819
Other new members	11,475

Total number of persons who ceased to be members during the year, consisting of:	22,484
Qualifying Age	3,123
Death	492
Transfers to other schemes	17,711
Other reasons	1,158

Accumulations	Number of members	Amount of accumulations
Members' accumulations at 1 April 2019	394,723	\$6,350,320,257
Members' accumulations at 31 March 2020	391,533	\$6,835,860,894

Contributions	Number of members	Amount of contributions
Members' contributions	270,341	\$596,925,321
Employer or other sponsor contributions	236,205	\$249,232,686
Member voluntary additional contributions	6,426	\$204,612,057
<b>Total contributions received during the year</b>		<b>\$1,050,770,064</b>

## Changes relating to the Scheme.

The following material changes occurred during the year ended 31 March 2020:

The PDS and Other Material Information (OMI) for the Scheme were replaced on 3 May 2019, to include the following material changes arising from the Taxation (Annual Rates for 2018-19, Modernising Tax Administration, and Remedial Matters) Act 2019:

- From 1 April 2019 new contribution rates of 6%, and 10% of a member's gross (before tax) salary or wages were made available.
- From 1 July 2019 individuals over the age of 65 were able to join KiwiSaver.
- From 1 July 2019 the 5 year lock-in period was removed, so members who join when aged over 60 can withdraw from retirement age, without also needing to be a KiwiSaver member for at least 5 years.
- From 1 April 2020, members who joined before 1 July 2019 can also choose to access their funds from retirement age, even if they haven't been a member for 5 years.

The PDS also included a change to the risk indicator for the Westpac KiwiSaver Scheme Growth Fund which moved from 3 to 4.

The Statement of Investment Policy and Objectives (SIPO) for the Scheme was updated on 3 May 2019 following changes to the benchmark index for the Cash and New Zealand Fixed Interest asset classes, as well as including an explanation about the peer group index that BTNZ measures the alternative assets class against, to reflect the Financial Markets Conduct (Market Index) Exemption Notice 2018.

The Responsible Investment Policy was updated in May 2019 to exclude investment in companies that are involved in the manufacturing and sale of assault weapons to civilian customers.

On 2 December 2019, the PDS for the Scheme was replaced after a reduction in fees. The monthly administration fee lowered from \$2.25 to \$1.00 and the estimated annual fund charges (as a percentage of net asset value) reducing, as shown below.

Fund Name	Estimated annual fund charge from 2 December 2019 <sup>1</sup>	Previous estimated annual fund charge
Cash	0.30%	0.44%
Default	0.41%	0.54%
Conservative	0.58%	0.72%
Moderate	0.66%	0.80%
Balanced	0.72%	0.86%
Growth	0.79%	0.93%

<sup>1</sup> For the most recent estimated annual fund charges, please refer to the PDS dated 29 May 2020.

The PDS also reflects that a foster parent (or kin carer) can now open an account for a foster child in their care (further to the KiwiSaver (Oranga Tamariki Guardians) Amendment Act 2019).

The OMI for the Scheme was replaced to align the inclusion of currency risk with the PDS.

There are also a series of Capital Protection Plan Funds (CPP Funds) within the Scheme, which are closed to all new investment. The CPP Fund No 2 matured on 30 September 2019 and members' investments were transferred to the Conservative Fund on 1 October 2019. The SIPO was updated on 2 December 2019 to reflect the removal of this fund.

There were no other material changes to the Scheme.

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
Qualifying Age	7,919*
Death	492
Transfers to other Schemes	17,814
Significant Financial Hardship	2,497
Serious Illness	344
First Home	6,159
Permanent Emigration (other than to Australia)	285
Other	336
<b>Total</b>	<b>35,846</b>

\*Includes initial and subsequent withdrawals.

### Unit prices.

Fund Name	Unit Price as at	
	1 April 2019	31 March 2020
Cash Fund	\$1.4208	\$1.4441
Default Fund	\$1.2697	\$1.2846
Conservative Fund	\$1.7591	\$1.7662
Moderate Fund	\$1.3287	\$1.3177
Balanced Fund	\$1.8971	\$1.8474
Growth Fund	\$1.9776	\$1.8803
CPP Fund No. 2	\$2.4140	Matured <sup>2</sup>
CPP Fund No. 3	\$2.3138	\$2.1700
CPP Fund No. 4	\$2.3904	\$2.2420
CPP Fund No. 5	\$2.0784	\$1.9493

<sup>2</sup> The fund matured on 30 September 2019 and members' investments were transferred to the Westpac KiwiSaver Scheme Conservative Fund on 1 October 2019. The unit price on 1 October 2019 was \$1.8308.

### 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 changes to overseas residency. Where individuals require compensation in accordance with the Westpac New Zealand Customer Remediation Policy, they will be or have been compensated and communicated with.

The market value of the Scheme property at 31 March 2020 equalled or exceeded the total value of benefits that would have been payable had all members of the Scheme ceased to be members at that date and had provision been made for the continued payment of all benefits being paid to members and other beneficiaries as at 31 March 2020.

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

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

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

The Manager was unchanged, but had the following director and key personnel change:

#### **Director:**

- Andrew David Walker resigned as a director of BTNZ on 04 November 2019.

#### **Key personnel:**

- Matthew Goldsack resigned as Head of Investment Solutions with effect from 11 December 2019.
- Francois Richeboeuf was appointed as Acting Head of Investment Solutions with effect from 13 January 2020.

### **Supervisor and its directors.**

The Supervisor was unchanged and had no director changes.

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

There were no changes to the administration manager, investment manager, securities registrar, custodian or auditor of the Scheme during the year. For details of the underlying investment managers, see the offer register at [disclose-register.companiesoffice.govt.nz](https://disclose-register.companiesoffice.govt.nz) (and search for the 'Westpac KiwiSaver Scheme').

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## **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 responsible investment policy);
- 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://westpac.co.nz).

## Contact details and complaints.

We are here to help, so if you would like to get in touch you can:

Write to	<b>Westpac KiwiSaver Scheme Operations Team, Westpac KiwiSaver Scheme, PO Box 695, Wellington 6140.</b>	Email	<b>kiwisaverhelp@westpac.co.nz</b>
		Call	<b>0508 972 254</b>
		Visit	<b>a Westpac branch</b>

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

Write to	<b>Relationship Manager, Corporate Trust, The New Zealand Guardian Trust Company Limited, Level 14, 191 Queen Street, Auckland 1010, PO Box 274, Auckland 1140.</b>	Email	<b>ct-auckland@nzgt.co.nz</b>
		Call	<b>(09) 909 5100 0800 683 909</b>

If neither we nor the Supervisor can resolve your complaint you can also contact either of the following independent dispute resolution schemes, for us or the Supervisor respectively, at:

### **The Banking Ombudsman.**

Write to	<b>Freepost 218002, PO Box 25327, Wellington 6146.</b>	Email	<b>help@bankomb.org.nz</b>
		Web	<b>bankomb.org.nz</b>
		Call	<b>0800 805 950</b>
Visit	<b>Level 5, Huddart Parker Building, 1 Post Office Square, Wellington 6011.</b>		

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

If the Supervisor hasn't been able to resolve your complaint in a way that you think is satisfactory within 40 business days you can contact Financial Services Complaints Limited by:

Write to	<b>PO Box 5967, Lambton Quay, Wellington 6140.</b>	Email	<b>info@fscl.org.nz</b>
		Web	<b>fscl.org.nz</b>
		Call	<b>0800 347 257</b>
Visit	<b>4th Floor, 101 Lambton Quay, Wellington 6011.</b>		

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

