

BNZ KiwiSaver Scheme

Annual Report

For the year ended 31 March 2021



bnz 

Details of the Scheme

- The name of the scheme is the BNZ KiwiSaver Scheme.
- The Scheme type is a KiwiSaver Scheme.
- The Manager of the Scheme is BNZ Investment Services Limited.
- The Supervisor of the Scheme is The New Zealand Guardian Trust Company Limited.
- The latest Product Disclosure Statement is dated 17 May 2021 and is open for applications.
- The latest Fund Updates for each of the funds in the Scheme are for the period ending 30 June 2021.
- The latest Financial Statements and Auditor's Report have been lodged with the Registrar and cover the financial year from 1 April 2020 to 31 March 2021. These were lodged on 15 July 2021.

Information on contributions and Scheme participants

Membership changes

The table below shows how membership numbers have changed throughout the year ended 31 March 2021.

Start of the year as at 1 April 2020	Number of members	Member accumulation (\$'000)
Contributing members	124,321	
Non-contributing members	53,825	
Total number of members as at 1 April 2020	178,146	2,747,832
Plus		
Transfers from other schemes	12,134*	
Other	9,054	
Total number of new members	21,188	
Less		
Retirement	841	
Death	151	
Transfers to other schemes	10,869	
Other	805	
Total number who ceased to be a member	12,666	
End of the year as at 31 March 2021		
Contributing members	127,671	
Non-contributing members	58,997	
Membership at the end of the year	186,668	3,630,600

*Includes non-KiwiSaver transfers.

Contributions

This table shows the total amount of each type of contribution received by the Scheme during the year ended 31 March 2021, plus the number of members credited with each type of contribution.

	Number of members	Total amount \$
Member contributions	134,031	\$ 275,935,534
Member voluntary additional contributions	72,622	\$145,591,466
Employer contributions	136,205	\$167,312,000
Government contributions	132,327	\$57,151,000
Transfers from other KiwiSaver and registered superannuation schemes	11,996	\$171,121,734
Transfers from Australian complying superannuation schemes	138	\$7,721,266

Changes relating to the Scheme

Other than as noted below, there have been no material changes to the Scheme.

There have been no changes to the nature or scale of related party transactions. All related party transactions for the year to 31 March 2021 were on arms-length terms.

The BNZ Responsible Investment Policy was updated on 2 April 2020. The changes include:

- Explicitly separating out three areas of responsible investment (active ownership, ESG integration and legal/social responsibility);
- Including a specific reference to climate change;
- Incorporating additional excluded sectors (assault weapons and whaling);
- Incorporating a 20% revenue threshold for oil and gas and thermal coal; and
- Introducing a list of sensitive sectors, that are not excluded from consideration but are given explicit attention to ensure ESG risks are being managed

The name of the International Equities benchmark was changed from FTSE Custom All-World ex AU ex NZ ex Controversial Weapons ex Tobacco Partially Hedged (Developed) to NZD Index to FTSE Custom (BNZ Exclusions) All-World ex AU ex NZ Partially Hedged (Developed) into NZD Index.

We have made the following changes to the target investment mix of our KiwiSaver Funds:

- From 30 October 2020 the allocation to growth assets of the Growth, Balanced and Moderate funds was increased. The Growth Fund is now composed of 80% growth assets and 20% income assets. The Balanced Fund is now composed of 60% growth assets and 40% income assets. The Moderate Fund is now composed of 40% growth assets and 60% income assets.
- The exposure to cash and cash equivalents within the Conservative Fund was reduced from 35% to 25%.
- The allowable investment range for cash and cash equivalents was widened.
- The allowable investment ranges for total income assets and total growth assets was widened.

Changes to the terms of the offer

The government released their list of approved conditions under the KiwiSaver life-shortening congenital conditions withdrawal category. The listed conditions are:

- Down syndrome
- Cerebral palsy
- Huntington's disease
- Fetal alcohol spectrum disorder

The new regulations under the KiwiSaver Act 2006 came into effect on 26 March 2021.

Investment manager changes

Castle Point was appointed as a new investment manager of Australasian equity assets on 29 September 2020.

Other information for particular types of managed funds

Withdrawals

During the year ending 31 March 2021, the following withdrawals were made from the Scheme.

	Number of members	Total amount \$
First home	3,634	\$90,217,000
Significant financial hardship	1,973	\$15,459,000
Serious illness	112	\$2,346,410
Permanent emigration (other than to Australia)	127	\$2,361,147
Qualifying age	1,787	\$46,792,000
Death	151	\$3,557,151
Transfer to Australian superannuation scheme	98	\$2,314,148

Unit prices

This table shows the unit price for each of the BNZ KiwiSaver Scheme funds on 1 April 2020, as well as at the end of the year on 31 March 2021.

	1 April 2020	31 March 2021
Cash Fund	\$1.2015	\$1.2085
First Home Buyer Fund	\$1.1729	\$1.2269
Conservative Fund	\$1.3845	\$1.4665
Moderate Fund	\$1.4892	\$1.6721
Balanced Fund	\$1.5759	\$1.8587
Growth Fund	\$1.6816	\$2.0966

Statement by the Manager

The Manager confirms that as at 31 March 2021:

1. All the benefits required to be paid from the Scheme in accordance with the terms of the Governing Document and the KiwiSaver scheme rules have been paid; and
2. The market value of the assets of the Scheme 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 2021.

Changes to persons involved in the Scheme

The directors of the Manager: BNZ Investment Services Limited

- Christine Yates ceased as a director on 22 July 2020.
- Daniel Huggins joined as a director on 22 July 2020.

The directors of the Supervisor: The New Zealand Guardian Trust Company Limited

- Bryan Connor joined as a director on 31 August 2020.

How to find further information

Information about the following is available for free on request:

- The governance of the Scheme, including the Governing Document and Statement of Investment Policy and Objectives.
- The performance of the Scheme, including the Financial Statements and Fund Updates.
- Key information an investor should be aware of before they become a member of the BNZ KiwiSaver Scheme, including the Product Disclosure Statement and other material information.
- To view this information, feel free to go to the Disclose Register at companiesoffice.govt.nz/disclose (by clicking on 'Search for an offer' or 'Search for a scheme' and entering 'BNZ' in the 'Issuer or Manager name, Issuer or Manager number or NZBN' field). Or you can contact us using the contact information over the page.

Contact details and complaints

If you have enquiries, please contact one of the organisations listed below.

The Manager – BNZ Investment Services Limited

- **Online:** bnz.co.nz
- **Call:** 0800 269 5494 (from New Zealand) or +64 4 931 8209 (from overseas).
- **Visit:** Any of our branches.

The Supervisor – Guardian Trust

- **Call:** +64 9 909 5100
- **Write:** The New Zealand Guardian Trust Company Limited
PO Box 274, Auckland 1140

The Securities Registrar – Trustees Executors Limited

- **Call:** 0800 878 783
- **Write:** Trustees Executors Limited
PO Box 10-519, Wellington 6143

Note: We have entered into a transition agreement with MMC Limited (MMC) in respect of unit registry services for the Scheme and expect MMC to replace TEL as Registrar of the Scheme.

Complaints about the Scheme can be directed to the Manager or the Supervisor. You may also use the BNZ complaints channels.

BNZ complaints

- **Online:** bnz.co.nz/complaints
- **Call:** 0800 275 269 (from New Zealand) or +64 4 931 8209 (from overseas).
- **Visit:** Any of our branches (please ask to speak to a manager if you would like to make a complaint).
- **Write:** BNZ Resolve
PO Box 995, Shortland Street, Auckland 1140

If you are not satisfied, you may refer the matter to the Banking Ombudsman, an independent dispute resolution scheme.

Banking Ombudsman

- **Online:** bankomb.org.nz
- **Call:** 0800 805 950
- **Email:** help@bankomb.org.nz
- **Write:** Freepost 218002, PO Box 25327, Featherston Street, Wellington 6146
- **Location:** Level 5, Huddart Parker Building, 1 Post Office Square, Wellington 6011

You can also contact the Supervisor's independent dispute resolution scheme operated by Financial Services Complaints Limited (FSCL) if the Supervisor hasn't been able to resolve your complaint to your satisfaction within 40 business days.

- **Online:** fscl.org.nz
- **Call:** 0800 347 257
- **Email:** info@fscl.org.nz
- **Write:** Financial Services Complaints Limited
PO Box 5967, Wellington 6145

You won't be charged a fee by us, the Supervisor or either of the dispute resolution schemes to investigate, or resolve your complaint.

Investments in BNZ KiwiSaver Scheme are not bank deposits or other liabilities of Bank of New Zealand (BNZ) or any other member of the National Australia Bank Limited group. They are subject to investment risk, possible delays in repayment, possible loss of income and possible loss of principal invested. No person (including the New Zealand Government) guarantees (either fully or in part) the performance or returns of BNZ KiwiSaver Scheme or the repayment of capital. National Australia Bank Limited, the ultimate owner of BNZ, is not a registered bank in New Zealand but a licensed bank in Australia and is subject to the supervision of the Australian Prudential Regulation Authority.

