2021 Simplicity KiwiSaver Scheme

Annual Report for the year ended 31 March 2021

KiwiSaver funds under management

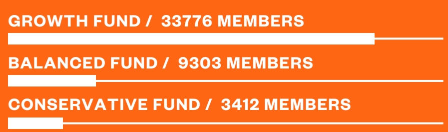
$1,669,980,387

Estimate of annual fees saved *

$20,595,690

Charitable donations this year **

$1,063,342



Number of KiwiSaver members

46,491

All numbers effective as of 31 March 2021

Highlights

- Winning Canstar's Most Satisfied Customers & Consumer People's Choice KiwiSaver Awards for the second year running
- Offering our members NZ's lowest-cost floating rate first home loan
- Winning Morningstar KiwiSaver Fund Manager of the Year ***

* This is the sum of the difference between Simplicity's Total Expense Ratio (TER) for all funds managed by Simplicity NZ vs the average TER for all funds with the same risk profile annualised and based on all the funds under management as at 31 March 2021. KiwiSaver Scheme TER data from sorted.org.nz and Investment Fund TER data from the Disclose Register.

** We donate 15% of the management fees you pay for all the funds managed by Simplicity NZ to the Simplicity Charitable Trust. The Trust determines which charities receive the donations. The amount reported above is the donation for all funds managed by Simplicity in the year ending 31 March 2021.

*** Morningstar Awards 2020(c). Morningstar, Inc. All Rights Reserved. Awarded to Simplicity Ltd NZ for Fund Manager of the Year: KiwiSaver, New Zealand..

For a product disclosure statement, see www.simplicity.kiwi Simplicity NZ Limited is the issuer.

Simplicity

Hi there

Greetings to our members, staff and volunteers, all of whom played a part in another banner year.

Simplicity is at heart a dignity company. We believe a dignified life is one with choices, and that more money means more choices. It's that simple.

In achieving this, the numbers speak for themselves. We're now managing almost $3 billion in KiwiSaver and Investment Funds, saving our members many millions in fees, and delivering best in class returns. And we've begun offering our members New Zealand's lowest cost home loans.

We believe it's possible to make our members money and do good. 15% of all our fees go to the Simplicity Charitable Trust, which has now reached a cumulative $1.8 million in donations. And we're delighted that our members get a say in where the donations go %).

Simplicity is a nonprofit fund manager, owned by the Simplicity Charitable Trust. That means all the benefits of scale go back to our members. So please keep talking about us!

Many thanks for your support. Our success only happens with amazing people and a common purpose.

Yours in Simplicity %)

Sam Stubbs
Managing Director
Sam and the team at Simplicity

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Contents

Simplicity

SECTION ONE — DETAILS OF SCHEME

Name of the scheme: Simplicity KiwiSaver Scheme
Type of scheme: KiwiSaver Scheme
Manager: Simplicity NZ Limited (Simplicity)
Supervisor: Public Trust

Product Disclosure Statement: The current Product Disclosure Statement for the scheme is dated 31 March 2021 and is open for applications.

Fund Updates: A Fund Update dated 26 July 2021 for each of the three investment funds is available for the quarter ending 30 June 2021.

Financial statements and auditor's report:
The latest full financial statements for the scheme that comply with, and have been registered under, the Financial Markets Conduct Act 2013 cover the financial year 1 April 2020 to 31 March 2021 and were authorised for issue by the manager, Simplicity NZ Limited, on 12 August 2021. The auditor's report on those financial statements was dated 12 August 2021. The auditor's report was unmodified.

SECTION TWO — INFORMATION ON CONTRIBUTIONS AND SCHEME PARTICIPANTS

Membership details FY 2021	Contributing Members	Non Contributing Members	Total Number Of Members	Members' Accumulation
Number of members at the start of the year	25,252	8,810	34,062	$980,309,736
PLUS:				
Total New Members			3,167	
New Members transferring from other KiwiSaver schemes			10,042	
Other new Members			382	
LESS:				
Members transferring to other KiwiSaver schemes			1,006	
Retirement			71	
Death			12	
Other exits			73	
Total membership at the end of the year	35,408	11,083	46,491	$1,669,980,387

CONTRIBUTIONS TABLE

Contributions FY 2021	Number of Members	Total Amount
Type		
Member contributions	32,855	$99,725,330
Member voluntary contributions	22,733	$52,004,374
Employer contributions	33,050	$54,284,027
Government contributions	32,682	$14,120,022
Transfers from other KiwiSaver schemes	9,997	$290,545,966
Transfers from Australian superannuation schemes	109	$4,549,488
Transfers from other retirement schemes	59	$2,052,402

SECTION THREE — CHANGES RELATING TO THE SCHEME

During the accounting period, there have been no material changes to the Scheme's Trust Deed or the Terms of Offer of Interests in the Scheme.

On 12 August 2020, the Statement of Investment Policy and Objectives (SIPO) and the Product Disclosure Statement (PDS) of the Scheme's Funds were changed to include a revised Australian share investment. On 9 December 2020, the Guaranteed Income Fund was closed to new investors. On 28 January 2021, the PDS of the Scheme's Funds was changed to revise the terms of the Guaranteed Income Fund for existing members and to clarify the wording relating to payment of PIE tax. On 31 March 2021, the Guaranteed Income Fund was terminated and the SIPO and the PDS of the Scheme's Funds were changed to remove the Guaranteed Income Fund. On the same date the SIPO of the Scheme was also changed to reflect a revised methodology for valuing its private equity investments.

On 30 January 2020 a related party transaction certificate was provided to Public Trust as supervisor of the Simplicity KiwiSaver Funds, notifying Public Trust of a related party benefit due to the potential exposure to the loss of Scheme property invested in the Simplicity First Home Mortgage Fund, a wholesale fund managed by Simplicity NZ Limited. As at 31 March 2021, the Simplicity KiwiSaver Funds had $16,030,406 invested in the Simplicity First Home Mortgage Fund.

All related party transactions were conducted on normal commercial terms and conditions during the accounting period and were on arm's-length terms.

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SECTION FOUR — OTHER INFORMATION

Withdrawals FY 2021	Number of members
First home withdrawal	1265
Retirement withdrawals (full)	49
Retirement withdrawals (partial)	951
Significant financial hardship	47
Serious illness withdrawals	17
Transfers to Australian superannuation schemes	8
Withdrawals on death	12
Transfers to other KiwiSaver schemes	1,006
Permanent emigration	30
Other enactments	6
Invalid enrolments	29

Unit Prices	Unit price: 31 March 2020	Unit price: 31 March 2021	Return to 31 March 2021*
Simplicity Conservative	1.1695	1.2515	7.38%
Simplicity Balanced	1.1887	1.4236	20.20%
Simplicity Growth	1.2387	1.5873	28.57%

* Annual return before tax, after fees

Manager's Annual Statement

As the manager of the Simplicity KiwiSaver Scheme, we confirm that for the year ended 31 March 2021:

- all the benefits required to be paid from the Scheme in accordance with the governing documents and KiwiSaver Scheme rules have been paid;
- the market value of the assets of the Scheme at the close of the financial year, 31 March 2021, equalled or exceeded the total value of the benefits that would have been payable had all Members of the Scheme ceased to be Members at that date and, where necessary, had provision been made for the continued payment of all benefits being paid to Members and other beneficiaries as at the close of the financial year.

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SECTION FIVE — CHANGES TO PERSONS INVOLVED IN THE SCHEME

Chris Teeling joined the board of Simplicity NZ Limited on 1 February 2021.

At the supervisor, there were no changes to the Trust Board during the year.

SECTION SIX — HOW TO FIND FURTHER INFORMATION

Information relating to the Simplicity KiwiSaver Scheme on the offer register and the scheme register can be found at www.business.govt.nz/disclose.

The scheme register includes financial statements, trust deed and Statement of Investment Policy and Objectives.

The offer register includes information relating to the membership and funds. It also includes Fund Updates and Other Material Information.

Information relating to the scheme, such as Fund Updates, the annual report, current Product Disclosure Statement and other useful information is available at www.simplicity.kiwi

If you require any information from us, please contact us by email: info@simplicity.kiwi

All the information can be obtained from us without charge.

SECTION SEVEN — CONTACT DETAILS AND COMPLAINTS

Contact details for the manager:

Simplicity NZ Limited
PO Box 33485
Takapuna
Auckland 0740
Telephone: 022 548 0212

Contact details for the registrar:

MMC Limited

PO Box 106 039
Auckland City
Auckland 1043

Telephone: 09 309 8926

Contact details of the supervisor:

Public Trust
Private Bag 5902
Wellington 6140

Telephone: 0800 371 471

Any queries or complaints about the Scheme can be made to:
Head of Compliance
Simplicity NZ Limited
PO Box 33485
Takapuna
Auckland 0740

Please direct any complaints about your investment to us:

Simplicity NZ Limited
PO Box 33485
Takapuna
Auckland 0740

Telephone: 022 548 0212

Email: info@simplicity.kiwi

If we are unable to resolve your complaint, you may choose to contact the supervisor:

Public Trust
Private Bag 5902
Wellington 6140
Attn: Customer Complaints
Telephone: 0800 371 471

Simplicity NZ Limited is a member of the Financial Services Complaints Limited (FSCL), which is an independent dispute resolution scheme approved by the Ministry of Consumer Affairs. FSCL will not charge a fee to any complainant to investigate or resolve a complaint.

If you make a complaint to us or our supervisor and the complaint cannot be resolved, you may refer it to FSCL as follows:

Financial Services Complaints Limited
PO Box 5967
Wellington 6145

Telephone: 0800 347 257

Simplicity (NZ) Limited