Simplicity

2023 Simplicity KiwiSaver Scheme

Annual Report for the year ended 31 March 2023

Simplicity NZ Limited
simplicity.kiwi

Kia ora

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 over $3 billion in KiwiSaver and $1.7 billion in Investment Funds and saving our members many millions in fees. And we've begun investing in affordable homes for rent.

We believe it's possible to make our members money and do good. 15% of all our fees go to the Simplicity Foundation, which has now reached a cumulative $5.5 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 Foundation. That means 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

Updated numbers to end of March 2023:
Over $5.5 million in cumulative donations to charity
Over $4.7 billion in funds under management

Highlights:
Winning the Consumer NZ's People's Choice award for KiwiSaver and Canstar's Most Satisfied Customer awards for the fourth year running.

CONTENT

SECTION ONE - DETAILS OF THE 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 28 April 2023 and is open for applications.
Fund Updates: A Fund Update dated 31 July 2023 for each of the six investment funds* is available for the quarter ending 30 June 2023.
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 2022 to 31 March 2023 and were authorised for issue by the manager, Simplicity NZ Limited, on 31 July 2023. The auditor's report on those financial statements was dated 31 July 2023. The auditor's report was unmodified.

SECTION TWO – INFORMATION ON CONTRIBUTIONS AND SCHEME PARTICIPANTS

Membership details FY 2023	Contributing members	Non Contributing Members	Total number of members	Member accumulation
Number of members at the start of the year	60,789	39,812	100,601	$2,658,327,369
PLUS:				
Total new members			15,425	
New members transferring from other KiwiSaver schemes			4,809	
Other new members			41	
LESS:				
Members transferring to other KiwiSaver schemes			3,941	
Retirement			377	
Death			60	
Other exits			732	
Total membership at the end of the year	72,825	42,941	115,766	$3,000,585,102

* On 28 April 2023, two new Funds were launched; the Defensive Fund and the High Growth Fund.

Contributions FY 2023	Number of members	Total amount
Type		
Member contributions	80,425	$216,455,306
Member voluntary contributions	15,217	$36,770,577
Employer contributions	80,103	$117,891,834
Government contributions	98,131	$32,245,789
Transfers from other KiwiSaver schemes	4,942	$167,742,057
Transfers from Australian superannuation schemes	132	$7,264,295
Transfers from retirement schemes	21	$1,340,136

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 25 May 2022, the Statement of Investment Policy and Objectives (SIPO) and the Product Disclosure Statement (PDS) of the Scheme's Funds were changed to include the investment in unlisted New Zealand property and some changes to the Funds' asset allocations.

On 21 April 2022 related party certificates were provided, notifying Public Trust of related party benefits due to the potential loss of Scheme property investing in the Private Equity Fund and the Property Fund, which are wholesale funds managed by Simplicity Investment Management Limited, a subsidiary of Simplicity NZ Limited.

As at 31 March 2023 the Simplicity KiwiSaver Funds had $79,790,136 invested in the Simplicity First Home Mortgage Fund, $27,820,387 invested in the Private Equity Fund and $6,431,857 invested in the Property Fund.

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

SECTION FOUR – OTHER INFORMATION

Withdrawals FY 2023	Number of members
First home withdrawal	1,166
Retirement withdrawals (full)	861
Retirement withdrawals (partial)	500
Significant financial hardship	193
Serious illness withdrawals	35
Transfers to Australian superannuation schemes	45
Withdrawals on death	60
Transfers to other KiwiSaver schemes	3893
Permanent emigration	107
Other enactments	9
Invalid enrolments	453

Unit prices	Unit price: 31 March 2022	Unit price: 31 March 2023	Return to31 March 2023*
Simplicity Conservative	1.2143	1.1711	-3.49%
Simplicity Balanced	1.4360	1.3855	-3.40%
Simplicity Growth	1.6412	1.5845	-3.28%
Simplicity Default	0.9439	0.9098	-3.47%

* 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 2023:

• 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 2023, 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.

SECTION FIVE – CHANGES TO PERSONS INVOLVED IN THE SCHEME

There were no changes to the board of Simplicity NZ Limited during the year.

Sarah Woodfield, the Head of Compliance at Simplicity NZ Limited resigned in September 2022 and was replaced by Peter Wells in November 2022. Ian Miller was appointed Chief of Staff and Alliances in August 2022.

At the supervisor, Vicki Sykes resigned as a Director in October 2022.

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.

Contact details for the manager:
Simplicity NZ Limited
PO Box 33485 Takapuna
Auckland 0740
Telephone: 022 548 0212

Contact details for the registrar:
Apex NZ 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

Simplicity NZ Limited
simplicity.kiwi