

InvestNow KiwiSaver Scheme

Financial Statements

For the year ended 31 March 2024

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Directory

The Manager	FundRock NZ Limited Level 2, Woodward House 1 Woodward Street PO Box 25003 Wellington, New Zealand 6011
Investment Manager	InvestNow Saving and Investment Service Limited Level 2, Woodward House 1 Woodward Street PO Box 25003 Wellington, New Zealand 6011
Directors of the Manager	Anthony Edmonds Jeremy Valentine Gareth Fleming Hugh Stevens (from 1 July 2023) Ian Russon (ceased 1 July 2023)
The Supervisor	Public Trust Level 2, 22 Willeston Street Private Bag 5902 Wellington, New Zealand 6011
Administration Manager	Adminis NZ Limited Level 1 125 Featherston Street PO Box 25555 Wellington, New Zealand 6011
Auditor	KPMG 44 Bowen Street PO Box 996 Wellington, New Zealand 6011
Correspondence	All correspondence and enquiries about the Scheme should be addressed to the Manager, Fund Rock NZ Limited, at the above address.



Independent Auditor's Report

To the members of InvestNow Kiwisaver Scheme

Report on the audit of the financial statements

Opinion

In our opinion, the financial statements of InvestNow Kiwisaver Scheme (the 'scheme') on pages 6 to 21 present fairly, in all material respects:

- i. the scheme's financial position as at 31 March 2024 and its financial performance and cash flows for the year ended on that date;

in accordance with New Zealand Equivalents to International Financial Reporting Standards issued by the New Zealand Accounting Standards Board.

We have audited the accompanying financial statements which comprise:

- the statement of net assets as at 31 March 2024;
- the statements of changes in net assets and cash flows for the year then ended; and
- notes, including a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the scheme in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (Including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our responsibilities under ISAs (NZ) are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

Other than in our capacity as auditor we have no relationship with, or interests in, the scheme. The provision of these services has not impaired our independence as auditor of the scheme. Subject to certain restrictions, partners and employees of our firm may also deal with the scheme on normal terms within the ordinary course of trading activities of the business of the scheme. These matters have not impaired our independence as auditor of the scheme. The firm has no other relationship with, or interest in, the scheme.

Materiality

The scope of our audit was influenced by our application of materiality. Materiality helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole. The materiality for the financial statements as a whole was set at 1% of total assets for the scheme. We chose the benchmark because, in our view, this is a key measure of the scheme's performance.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements in the current period. We summarise below those matters and our key audit procedures to address those matters in order that the members as a body may better understand the process by which we arrived at our audit opinion. Our procedures were undertaken in the context of and solely for the purpose of our statutory audit opinion on the financial statements as a whole and we do not express discrete opinions on separate elements of the financial statements.

The key audit matter **How the matter was addressed in our audit**

Valuation and existence of investments for InvestNow Kiwisaver Scheme

Refer to Note 2 Summary of significant accounting policies and Note 4 Financial assets and liabilities at fair value through profit and loss (for existence and valuation) of the financial statements.

The scheme's portfolio of investments is the most significant asset making up in excess of 99% of total assets. These comprise liquid investments including unlisted unit trusts.

The investment portfolio in total, due to its materiality in the context of the financial statements as a whole, is our most significant area of audit focus.

Our audit procedures included:

- documenting and understanding the processes in place to record investment transactions and to value the portfolio. This included evaluating the control environment in place at the administration manager by obtaining and reading a report issued by an independent auditor on the design and operation of those controls;
- agreeing the valuation of unlisted unit trusts to confirmations received from the respective investment managers and to externally quoted prices;
- agreeing investment holdings to confirmations received from the custodian; and
- checking the accuracy of fair value hierarchy disclosure as disclosed in the financial statements.

Other information

The Manager, on behalf of the fund, are responsible for the other information included in the entity's financial statements. Other information includes the Directory. Our opinion on the financial statements does not cover any other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Use of this independent auditor's report

This independent auditor's report is made solely to the members as a body. Our audit work has been undertaken so that we might state to the members those matters we are required to state to them in the independent auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members as a body for our audit work, this independent auditor's report, or any of the opinions we have formed.



Responsibilities of the Manager for the financial statements

The Manager, on behalf of the scheme, are responsible for:

- the preparation and fair presentation of the financial statements in accordance with generally accepted accounting practice in New Zealand (being New Zealand Equivalents to International Financial Reporting Standards) and International Financial Reporting Standards issued by the New Zealand Accounting Standards Board;
- implementing necessary internal control to enable the preparation of a set of financial statements that is free from material misstatement, whether due to fraud or error; and
- assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objective is:

- to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and
- to issue an independent auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs NZ will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of these financial statements is located at the External Reporting Board (XRB) website at:

<http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-2/>

This description forms part of our independent auditor's report.

The engagement partner on the audit resulting in this independent auditor's report is Gavin Silva

For and on behalf of

KPMG
Wellington

18 July 2024

Statement of changes in net assets

for the year ended 31 March 2024

in New Zealand Dollars

		InvestNow KiwiSaver Scheme	
		2024	2023
		\$	\$
	Note		
INVESTMENT ACTIVITIES			
Investment income			
Fee rebate income		48,898	26,659
Distribution income		1,240,496	846,494
Net gains/(losses) on financial assets at fair value through profit or loss	3	30,756,092	(1,425,406)
Net investment gain/(loss)		32,045,486	(552,253)
Net gain/(loss) before membership activities		32,045,486	(552,253)
MEMBERSHIP ACTIVITIES			
Contributions received			
Member contributions		10,572,242	7,306,583
Employer contributions		6,098,570	4,231,179
Crown contributions		1,447,735	975,049
Transfers from other KiwiSaver and superannuation schemes		59,695,800	66,299,123
Lump sum and other voluntary contributions		1,733,566	955,931
Other income		4,457	597
Payments to members			
Transfers to other KiwiSaver and superannuation schemes		(5,776,423)	(3,489,137)
Member administration fees	7	-	(12,621)
Withdrawals on transfers or emigration		(139,876)	(321,110)
Member eligible withdrawals		(2,281,930)	(1,958,881)
Serious illness withdrawals		(100,285)	-
First home purchase withdrawals		(1,301,288)	(906,357)
Significant financial hardship withdrawals		(120,407)	(20,015)
IRD Refund		(95,393)	(98,991)
Member fees			
Advisor fees		(208,764)	(110,984)
Trade fees		(146,699)	-
Taxation			
Unit holders tax		(1,318,047)	(115,037)
Net membership activities		68,063,258	72,735,329
Net increase in net assets during the year		100,108,744	72,183,076
Net assets available for benefits at the start of the year		145,852,379	73,669,303
Net assets available for benefits at the end of the year		245,961,123	145,852,379

This statement is to be read in conjunction with the notes to the financial statements.


Statement of net assets


as at 31 March 2024

in New Zealand Dollars

		InvestNow KiwiSaver Scheme	
		2024	2023
		\$	\$
	Note		
Assets			
Cash and cash equivalents		194,682	913,043
Financial assets at fair value through profit or loss	4	246,867,733	145,568,958
Other receivables	5	167,127	73,673
Total assets		247,229,542	146,555,674
Liabilities			
Other payables	6	338	559,683
PIE tax payable		1,268,081	143,612
Total liabilities		1,268,419	703,295
Net assets available for benefits		245,961,123	145,852,379
Represented by:			
Members' funds		245,961,123	145,852,379

These financial statements were authorised for issue by the Manager, FundRock NZ Limited:


 Director Anthony Edmonds


 Director Gareth Fleming

July 17, 2024 | 10:27 AM BST
 Date

July 17, 2024 | 7:09 AM BST
 Date

This statement is to be read in conjunction with the notes to the financial statements.

Statement of cash flows

for the year ended 31 March 2024
in New Zealand Dollars

		InvestNow KiwiSaver Scheme	
		2024	2023
		\$	\$
	Note		
Cash flows from operating activities			
Cash was provided from			
Sale of investments		25,021,188	17,734,683
Cash was provided to			
Purchase of investments		(94,367,930)	(90,299,451)
Net cash outflow from operating activities	8	(69,346,742)	(72,564,768)
Cash flows from financing activities			
Contributions from members		78,992,990	79,941,831
Withdrawals by members		(10,171,031)	(6,917,792)
PIE tax paid by members		(193,578)	(107,995)
Net cash inflow from financing activities		68,628,381	72,916,044
Net cash (outflow)/inflow		(718,361)	351,276
Net cash and cash equivalents at the beginning of the year		913,043	561,767
Net cash and cash equivalents at the end of the year		194,682	913,043

This statement is to be read in conjunction with the notes to the financial statements.

Notes to the financial statements

1. GENERAL INFORMATION

Reporting entity

These financial statements are for the InvestNow KiwiSaver Scheme (the "Scheme").

The Scheme was established by a Trust Deed dated 26 May 2020 between FundRock NZ Limited (the "Manager") and Public Trust (the "Supervisor"), with subsequent amendments.

The Scheme is domiciled in New Zealand and registered under the Financial Markets Conduct Act 2013 ("FMCA") as a KiwiSaver Scheme. The Scheme is a tier-1 for-profit entity. The Scheme is a defined contribution scheme under the KiwiSaver Act 2006, which means that members contribute to the Scheme over time and benefits payable depend on the amount of contributions made and any returns on contributions received.

The Scheme provides members with a range of investment options ("Funds") which they can combine in any way they choose. Fund options include diversified funds and sector funds. The investment objective of the Scheme is to provide members with the flexibility to combine a range of Funds to suit their own risk profile, investment objectives and investment beliefs. Each Fund has its own specific investment objective which is contained in the schedules of the Statement of Investment Policy and Objectives ("SIPO").

The Investment Manager is InvestNow Saving and Investment Service Limited (the "Investment Manager"). The Investment Manager defines the funds' investment mandates and selects appropriate underlying investment managers for those mandates.

The Funds of the Scheme are listed below:

Diversified funds:

InvestNow Antipodes Global Fund Long	25 November 2021
InvestNow Castle Point 5 Oceans Fund	14 September 2020
InvestNow Fisher Funds Conservative Fund	25 January 2022
InvestNow Fisher Funds Growth Fund	14 July 2021
InvestNow Foundation Series Balanced Fund	14 September 2020
InvestNow Foundation Series Growth Fund	14 September 2020
InvestNow Generate Focused Growth Fund	8 May 2023
InvestNow Harbour Active Growth Fund	27 April 2021
InvestNow Mercer Ethical Leaders Balanced Fund	14 September 2020
InvestNow Milford Active Growth Fund	14 July 2021
InvestNow Milford Aggressive Fund	26 July 2023
InvestNow Milford Balanced Fund	14 September 2020
InvestNow Milford Conservative Fund	14 September 2020
InvestNow Mint Diversified Growth Fund	14 September 2020
InvestNow Mint Diversified Income Fund	14 September 2020
InvestNow Pathfinder Ethical Growth Fund	27 April 2021
InvestNow Smartshares Growth Fund	14 July 2021

Sector funds:

InvestNow Castle Point Trans-Tasman Fund	14 September 2020
InvestNow Clarity Global Shares Fund	14 September 2020
InvestNow Foundation Series Hedged Total World Fund	15 February 2024
InvestNow Foundation Series Hedged US 500 Fund	15 February 2024
InvestNow Foundation Series Total World Fund	1 March 2023
InvestNow Foundation Series US 500 Fund	1 March 2023
InvestNow Harbour NZ Core Fixed Interest Fund	14 September 2020
InvestNow Harbour Australasian Equity Focus Fund	14 September 2020
InvestNow Harbour T. Rowe Price Global Equity Fund	14 September 2020
InvestNow Hunter Global Fixed Interest Fund	14 September 2020
InvestNow Mercer All Country Global Shares Index Fund	14 September 2020
InvestNow Mercer Ethical Leaders Hedged Global Fixed Interest Index Fund	14 September 2020
InvestNow Macquarie NZ Cash Fund	14 September 2020
InvestNow Macquarie NZ Fixed Interest Fund	14 September 2020
InvestNow Mercer NZ Shares Passive Fund	14 September 2020

Available for investment from:

Notes to the financial statements - continued

1. GENERAL INFORMATION - CONTINUED

Reporting entity - continued	Sector funds - continued:	
	InvestNow Macquarie Global Listed Real Estate Fund	14 September 2020
	InvestNow Mint Australasian Equity Fund	14 September 2020
	InvestNow Russell Investments Global Fixed Interest Fund	14 September 2020
	InvestNow Russell Investments Global Shares Fund	14 September 2020
	InvestNow Russell Investments Hedged Global Shares Fund	14 September 2020
	InvestNow Russell Investments NZ Fixed Interest Fund	14 September 2020
	InvestNow Salt NZ Dividend Appreciation Fund	14 September 2020
	InvestNow Salt Enhanced Property Fund	14 September 2020
	InvestNow Salt Sustainable Growth Fund	26 July 2023
	InvestNow Te Ahumairangi Global Equity Fund	25 November 2021

Notwithstanding the division of the Scheme into Funds, the Scheme is a single trust with the value of each member's interest in the Scheme determined by amounts held in individual members' accounts. While all Scheme members invest in particular Funds, the liabilities of the Scheme are not limited to a separate Fund. Therefore, reporting in these financial statements are not segmented by Fund.

The financial statements are for year ended 31 March 2024, with comparatives for the year ended 31 March 2023.

The financial statements were authorised for issue by the directors of the Manager on 10 July 2024.

Statutory Base	The financial statements for the Scheme have been prepared in accordance with the Trust Deed and the FMCA.
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Basis of preparation	<p>The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand and other legislative requirements as appropriate for for-profit entities. The financial statements comply with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS"), and other New Zealand accounting standards and authoritative notices applicable to entities that apply NZ IFRS. The financial statements also comply with International Financial Reporting Standards ("IFRS").</p> <p>The financial statements have been prepared under the historical cost basis, as modified by the revaluation of financial instruments at fair value through profit or loss. The methods used to measure fair value are discussed further below. The accrual basis of accounting has been applied, as has the going concern assumption.</p> <p>The assets and liabilities in the financial statements have been presented in order of their liquidity. All assets and liabilities either have a maturity of less than a year or have no fixed maturity and are therefore considered current assets/liabilities.</p>
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New standards and amendments to existing standards effective in the current year	There are no new or amended standards for the year ended 31 March 2024 that have had a material impact on the financial statements.
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New accounting standards and interpretations not adopted	No standards or amendments to existing standards and interpretations that are not yet in effect are expected to have a material impact on the financial statements of the Scheme.
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Investment entity	<p>The Scheme has direct investments in other funds managed by the Manager. The Scheme meets the definition of an investment entity per NZ IFRS 10 - Consolidated Financial Statements, as the following conditions exist:</p> <p>(a) The Scheme has obtained funds for the purpose of providing investors with investment management services.</p> <p>(b) The Scheme's business purpose, which is communicated directly to investors, is investing solely for returns from capital appreciation and investment income.</p> <p>(c) The performance of investments made through other funds managed by the Manager, is measured and evaluated on a fair value basis.</p>
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Notes to the financial statements - continued

1. GENERAL INFORMATION - CONTINUED

Investment entity - continued The Scheme also displays all four typical characteristics that are associated with an investment entity:

- (i) The Scheme has more than one investment;
- (ii) The Scheme has more than one investor;
- (iii) The Scheme has investors that are not related parties; and
- (iv) ownership interests in the Scheme are represented by units in the Funds.

Climate related risks and opportunities The Manager is a Climate Reporting Entity pursuant to the provisions of the Financial Markets Conduct Act 2013, as modified by the Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021. Climate-related disclosures for the Funds were prepared in accordance with Aotearoa New Zealand Climate Standards and are available at the Climate-Related Disclosures Register. The Funds are exposed to climate related risks, which are managed through the strategies and processes described in the climate-related disclosures available at the Climate-Related Disclosures Register. There are no material climate related impacts relevant to the current year financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Functional and presentation currency The financial statements are presented in New Zealand dollars, which is the Scheme's functional currency. All amounts have been rounded to the nearest dollar.

Significant accounting estimates and judgements The preparation of financial statements in conformity with NZ IFRS requires the use of certain critical accounting estimates. It also requires the Manager to exercise its judgment in the process of applying the Scheme's accounting policies.

The investments of the Scheme have been valued at the relevant redemption price established by underlying investment managers, therefore the Manager has not made any material accounting estimates or judgements in relation to the carrying value of these assets.

Financial instruments **(a) Classification**

Financial assets at fair value through profit or loss

The Scheme classifies its investments in unlisted unit trusts as financial assets at fair value through profit or loss. The Scheme classifies its investments based on both the Scheme's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The Scheme's investment strategies, policies and guidelines are established by the Manager. The portfolio of financial assets is managed and performance is evaluated on a fair value basis in accordance with the Scheme's investment strategies.

The Manager and Investment Manager are primarily focused on fair value information and use that information to assess the assets' performance and to make decisions.

Financial assets and liabilities at amortised cost

The Scheme's cash and cash equivalents and other receivables are classified as financial assets at amortised cost based on the Scheme's business models for managing those financial assets and the contractual cash flow characteristics.

Financial liabilities at amortised cost comprise cash and cash equivalents, related party payables and other payables.

Notes to the financial statements - continued

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUEDFinancial instruments -
continued**(b) Recognition**

Purchases and sales of investments are recognised on the trade date, the date on which the Scheme commits to purchase or sell the investment. Financial assets at fair value through profit or loss are initially recognised at fair value and, subsequent to initial recognition, measured at fair value. Gains and losses arising from changes in fair value are recognised in the Statement of Changes in Net Assets when they arise. Interest, dividend and distribution income are separately recognised in the Statement of Changes in Net Assets. Transaction costs are expensed as incurred in the Statement of Changes in Net Assets.

(c) Fair Value Measurement

'Fair Value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Scheme had access at that date. The fair value also includes non-performance risk.

Fair value of unlisted unit trusts

The fair value of investments in unlisted unit trusts is determined using the last available redemption unit prices for those funds at balance date. The Manager of the Scheme may make adjustments based on considerations such as the liquidity of the underlying investments and any restrictions on redemptions.

(d) Derecognition

Financial assets are derecognised upon maturity or disposal of the asset. Any gain or loss arising on derecognition of the asset is recognised in the Statement of Changes in Net Assets in the year the item is derecognised. Gains or losses are calculated as the difference between the disposal proceeds and the carrying amount of the item.

Fair value hierarchy

Fair value measurements are categorised into a three level hierarchy that reflects the significance of the inputs used in making the measurements. Transfers between levels of the fair value hierarchy (if any) are deemed to have occurred at the beginning of the period.

Level one - fair value in an active market

The fair value of financial assets traded in active markets for the same instruments based on their quoted market prices at balance date without any deduction for estimated future selling costs. Generally, a level one category asset will have the most independent, reliable basis for measurement.

Level two - fair value in an inactive or unquoted market using valuation techniques and observable market data

The fair value of financial assets that are not traded in an active market is determined using valuation techniques for which all significant inputs are based on observable market data.

The Scheme's investments in unlisted unit trusts are valued at fair value which is based on the latest available redemption prices of the units in each respective underlying fund. The Manager reviews the details of the reported information obtained from each of the underlying investments and considers:

- the liquidity of the Scheme's holding in that investment, or it's underlying investments;
- the value date of the net asset value ("NAV") provided; and
- any restrictions on withdrawals.

Level three - fair value in an inactive or unquoted market using valuation techniques without observable market data

The fair value of financial assets that are not traded in an active market is determined using valuation techniques for which any significant input is not based on observable market data.

Expenses

There are currently no fees or expenses paid by members for the Scheme.

Notes to the financial statements - continued

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Income recognition	<p>Interest income is recognised in the Statement of Changes in Net Assets as the interest accrues using the effective interest rate method. Interest income is earned on short term deposits and bank balances.</p> <p>Dividend and distribution income is recognised in the Statement of Changes in Net Assets when the Scheme's right to receive payment is established.</p> <p>Dividend and interest income is disclosed net of any foreign tax credits and resident withholding taxes deducted at source, as these tax credits are allocated to members under the PIE regime.</p> <p>Any unrealised gains or losses arising from the revaluation of investments and any realised gains or losses from the sale of investments during the year are included in the Statement of Changes in Net Assets.</p>
Cash and cash equivalents	<p>Cash and cash equivalents comprise cash balances and short-term deposits with an original maturity of three months or less and are initially measured at fair value. Subsequent to initial recognition, all cash and cash equivalents are measured at amortised cost.</p>
Other payables	<p>Other payables include member contributions and withdrawals that are unapplied or unpaid at balance date. Payables are initially recognised at fair value and subsequently stated at amortised cost using the effective interest method.</p>
Statement of cash flows	<p>Definitions of the terms used in the Statement of Cash Flows are:</p> <p>(a) Operating activities comprise all transactions and other events that are not financing activities and includes purchases and sales of investments.</p> <p>(b) Financing activities are those activities that result in changes in the size and composition of members' funds. This includes elements of members' funds not falling within the definition of cash. Distributions paid in relation to members' funds are included in financing activities.</p>
Taxation	<p>The Scheme is a Portfolio Investment Entity ("PIE"). Under the PIE regime income is effectively taxed in the hands of the unit holders and therefore the Scheme has no tax expense. Accordingly, no income tax expense is recognised in the Statement of Changes in Net Assets.</p> <p>Under the PIE regime, the Manager attributes the taxable income of the Scheme to members in accordance with the proportion of their interest in the Funds held by the Scheme. The income attributed to each member is taxed at the member's prescribed investor rate ("PIR") which is currently capped at 28%. Any PIE tax payable/refundable on withdrawals is paid/received by the members by way of deduction from or addition to the withdrawal proceeds paid. Units in the Funds are cancelled/issued to the value of the tax paid/refunded upon determination of the members' annual PIE tax liabilities/assets at 31 March each year.</p> <p>The PIE tax attributable to members at balance date is calculated on the basis of the tax laws enacted or substantively enacted at balance date.</p>
Goods and Services tax	<p>The Scheme is not registered for GST and consequently all components of the financial statements are stated inclusive of GST where appropriate.</p>
Contributions and withdrawals	<p>Contributions received for units in the Funds of the Scheme are recorded net of any entry fees payable prior to the issue of units in the Funds. Withdrawals from the Scheme are recorded gross of any exit fees payable after the cancellation of the Fund units redeemed. Units in the Funds are issued and redeemed at the holder's option at the unit price for that day. The unit price for each Fund is determined as the net asset value ("NAV") divided by the number of units on issue.</p>

Notes to the financial statements - continued

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Net assets attributable to members The net assets attributable to members represents the liability for promised retirement benefits. The Funds of the Scheme issue units that are redeemable at the members' discretion and do not have identical features and are therefore classified as financial liabilities and are measured at amortised cost. Units are redeemed for the purpose of permitted withdrawals (such as reaching the age of 65 or enduring significant hardship) or transferring to another Fund within the Scheme or separate KiwiSaver Scheme. Units are equal to a proportionate share of the respective Funds net asset value which is the redemption price. The fair value of redeemable units is measured at the redemption amount that is payable at the period end date if all members exercised their right to redeem units back to the Funds.

Related parties A party is related to the Funds if:

- (a) directly or indirectly through one or more of its intermediaries, it controls, is controlled by, or is under common control with, the Scheme;
- (b) it is a parent, subsidiary or fellow subsidiary of a party defined in (a) above;
- (c) it has an interest in or relationship with the Funds that gives it significant influence or control over the Scheme;
- (d) it is controlled by or may be significantly influenced by another party which also has control or significant influence over the Scheme;
- (e) the Scheme has an interest in or relationship with the party that gives significant influence over the party; or
- (f) it is an entity or member of a group which provides key management personnel services to the Scheme.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Funds. This includes the Board and members of senior leadership team of the Manager, Investment Manager, and the Supervisor.

3. NET GAINS/(LOSSES) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	InvestNow KiwiSaver Scheme	
	2024 \$	2023 \$
Financial instruments at fair value through profit or loss		
Unlisted unit trusts	30,756,092	(1,425,406)
Total net gains/(losses) on financial assets at fair value through profit or loss	30,756,092	(1,425,406)

4(A). FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	InvestNow KiwiSaver Scheme	
	2024 \$	2023 \$
Financial assets at fair value through profit or loss		
Unlisted unit trusts	246,867,733	145,568,958
Total financial assets at fair value through profit or loss	246,867,733	145,568,958

Notes to the financial statements - continued

4(A). FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - CONTINUED

Fair value of investments of the Scheme The units held and fair value of the investments of the Scheme are as follows:

	Units held by the Scheme		Fair Value	
	2024 Number	2023 Number	2024 \$	2023 \$
InvestNow Antipodes Global Fund Long	348,662	178,474	555,593	241,528
InvestNow Castle Point 5 Oceans Fund	1,530,246	1,619,942	1,714,794	1,791,817
InvestNow Castle Point Trans-Tasman Fund	176,152	164,111	454,842	432,564
InvestNow Clarity Global Shares Fund	347,667	217,275	1,838,778	875,423
InvestNow Fisher Funds Conservative Fund	445,731	272,682	522,753	296,869
InvestNow Fisher Funds Growth Fund	9,367,093	6,481,563	13,825,830	8,138,899
InvestNow Foundation Series Balanced Fund	6,242,511	4,711,464	7,342,492	4,870,976
InvestNow Foundation Series Growth Fund	17,310,085	14,185,334	22,144,272	15,512,559
InvestNow Foundation Series Hedged Total World Fund	493,909	-	526,235	-
InvestNow Foundation Series Hedged US 500 Fund	229,492	-	243,741	-
InvestNow Foundation Series Total World Fund	11,383,015	1,654,361	15,264,646	1,734,931
InvestNow Foundation Series US 500 Fund	13,047,213	816,747	18,250,468	844,770
InvestNow Generate Focused Growth Fund	1,562,375	-	2,180,138	-
InvestNow Harbour Active Growth Fund	2,547,610	3,023,549	2,471,946	2,814,924
InvestNow Harbour Australasian Equity Focus Fund	625,894	675,414	1,578,442	1,538,526
InvestNow Harbour NZ Core Fixed Interest Fund	971,188	655,908	972,062	666,665
InvestNow Harbour T. Rowe Price Global Equity Fund	2,850,109	2,602,625	8,728,460	6,188,262
InvestNow Hunter Global Fixed Interest Fund	1,263,989	612,477	1,076,666	519,748
InvestNow Mercer All Country Global Shares Index Fund	9,566,120	9,021,999	15,223,810	11,616,275
InvestNow Mercer Ethical Leaders Balanced Fund	443,424	453,572	1,157,056	1,057,989
InvestNow Mercer Ethical Leaders Hedged Global Fixed Interest Index Fund	677,992	526,511	629,339	488,260
InvestNow Macquarie Global Listed Real Estate Fund	186,769	173,475	284,388	246,443
InvestNow Macquarie NZ Cash Fund	2,377,020	2,338,555	3,984,671	3,850,268
InvestNow Macquarie NZ Fixed Interest Fund	293,526	254,145	454,852	390,620
InvestNow Mercer NZ Shares Passive Fund	3,046,994	2,750,116	3,759,381	3,435,720
InvestNow Milford Active Growth Fund	8,270,917	5,927,083	49,599,860	30,218,642
InvestNow Milford Aggressive Fund	2,091,147	-	2,500,803	-
InvestNow Milford Balanced Fund	7,505,964	6,641,448	24,236,757	19,284,109
InvestNow Milford Conservative Fund	4,236,095	4,204,619	5,210,397	4,938,745
InvestNow Mint Australasian Equity Fund	202,159	127,952	810,273	492,730
InvestNow Mint Diversified Growth Fund	4,969,688	4,512,655	7,687,113	6,158,420
InvestNow Mint Diversified Income Fund	3,815,054	2,862,137	3,926,072	2,876,162
InvestNow Pathfinder Ethical Growth Fund	3,603,870	2,773,269	4,560,697	3,060,302
InvestNow Russell Investments Global Fixed Interest Fund	243,538	252,039	240,518	252,669
InvestNow Russell Investments Global Shares Fund	701,004	447,170	2,299,924	1,188,757
InvestNow Russell Investments Hedged Global Shares Fund	283,543	239,422	865,857	612,585
InvestNow Russell Investments NZ Fixed Interest Fund	363,249	232,368	416,683	260,810
InvestNow Salt Enhanced Property Fund	1,090,672	844,494	1,595,871	1,262,772
InvestNow Salt NZ Dividend Appreciation Fund	320,918	325,246	527,814	533,110
InvestNow Salt Sustainable Growth Fund	1,470,071	-	1,544,310	-
InvestNow Smartshares Growth Fund	4,442,522	2,817,657	5,644,504	3,139,653
InvestNow Te Ahumairangi Global Equity Fund	7,125,311	3,267,830	10,014,625	3,735,456
Total fair value of Funds			246,867,733	145,568,958

Those investments that hold more than 5% of net assets available for benefits are the InvestNow Fisher Funds Growth Fund (5.62%) (2023: 5.58%), InvestNow Foundation Series Growth Fund (9.00%) (2023: 10.64%), InvestNow Foundation Series Total World Fund (6.21%) (2023: N/A), InvestNow Foundation Series US 500 Fund (7.42%) (2023: N/A), InvestNow Macquarie All Country Global Shares Index Fund (6.19%) (2023: 7.97%), InvestNow Milford Active Growth Fund (20.17%) (2023: 20.74%) and InvestNow Milford Balanced Fund (9.85%) (2023: 13.23%).

The Scheme invests solely into managed funds. Due to the nature of the investments, it is not possible to determine if a single underlying investment of those managed funds exceeds 5% of the fund's assets or 5% of any class or type of security.

Notes to the financial statements - continued

4(B). FAIR VALUE HIERARCHY

Level 2 fair value determination The fair value of units held by the Scheme in unlisted unit trusts is determined by reference to published unit prices calculated by those funds' administration managers and are included within level 2 of the fair value hierarchy.

There have been no transfers between the levels of the fair value hierarchy.

5. OTHER RECEIVABLES

	InvestNow KiwiSaver Scheme	
	2024	2023
	\$	\$
Unsettled trades	167,127	73,673
Total other receivables	167,127	73,673

All other receivable balances are current assets. Other receivables are classified as financial assets at amortised cost under NZ IFRS 9.

6. OTHER PAYABLES

	InvestNow KiwiSaver Scheme	
	2024	2023
	\$	\$
Unallocated applications	-	559,379
Advisor fees payable	338	304
Total other payables	338	559,683

All other payable balances are current liabilities. Other payables are classified as financial liabilities at amortised cost under NZ IFRS 9.

7. RELATED PARTIES

Related parties comprise the Manager, the Supervisor and their related entities.

Manager fees The Manager currently does not charge management fees to the Scheme.

Management fees are charged to underlying investment funds by their fund managers and investment managers and are reflected in the value of the funds.

Supervisor fees Public Trust is entitled to a fee, payable by the Manager, for the services it provides as Supervisor of the Scheme. Total Supervisor fees for the period were \$43,668 (31 March 2023: \$32,000).

Related party holdings in the Funds Holdings and transactions in the Scheme by directors and key management personnel of the Manager, Investment Manager and their immediate family members are:

	InvestNow KiwiSaver Scheme	
	2024	2023
	\$	\$
Opening value	347,643	485,598
Contributions	312,900	46,781
Withdrawals	-	(163,555)
Change in fair value	100,387	(24,344)
Distributions received	5,945	575
Trade fees	(193)	(294)
PIE tax refund/(paid)	(2,789)	2,882
Closing value	763,893	347,643

Notes to the financial statements - continued

7. RELATED PARTIES - CONTINUED

Related party investments At 31 March, the Scheme held units or had subscribed for units in other funds managed by the Manager. The balances and movements for the year were as follows:

	InvestNow KiwiSaver Scheme	
	2024 \$	2023 \$
Foundation Series Balanced Fund		
Opening value	4,870,976	3,485,617
Applications	2,191,629	1,932,237
Redemptions	(556,917)	(448,980)
Change in fair value	836,804	(97,898)
Closing value	7,342,492	4,870,976
Foundation Series Growth Fund		
Opening value	15,512,559	10,070,939
Applications	6,350,458	7,286,222
Redemptions	(2,706,146)	(1,644,548)
Change in fair value	2,987,401	(200,054)
Closing value	22,144,272	15,512,559
Foundation Series Hedged Total World Fund		
Opening value	-	-
Applications	520,054	-
Redemptions	-	-
Change in fair value	6,181	-
Closing value	526,235	-
Foundation Series Hedged US 500 Fund		
Opening value	-	-
Applications	254,937	-
Redemptions	(17,828)	-
Change in fair value	6,632	-
Closing value	243,741	-
Foundation Series Total World Fund		
Opening value	1,734,931	-
Applications	11,865,659	1,687,206
Redemptions	(684,342)	-
Change in fair value	2,348,398	47,725
Closing value	15,264,646	1,734,931
Foundation Series US 500 Fund		
Opening value	844,770	-
Applications	15,107,849	824,406
Redemptions	(750,937)	-
Change in fair value	3,048,786	20,364
Closing value	18,250,468	844,770
Russell Investments NZ Fixed Interest Fund		
Opening value	260,810	96,750
Applications	252,341	256,455
Redemptions	(103,887)	(89,819)
Change in fair value	7,419	(2,576)
Closing value	416,683	260,810

Notes to the financial statements - continued

InvestNow KiwiSaver Scheme
For the year ended 31 March 2024**7. RELATED PARTIES - CONTINUED**

	InvestNow KiwiSaver Scheme	
	2024 \$	2023 \$
Russell Investments Global Fixed Interest Fund		
Opening value	252,669	49,464
Applications	193,348	243,096
Redemptions	(199,083)	(28,958)
Change in fair value	(6,416)	(10,933)
Closing value	240,518	252,669
Russell Investments Global Shares Fund		
Opening value	1,188,757	569,259
Applications	832,373	746,500
Redemptions	(92,424)	(145,303)
Change in fair value	371,218	18,301
Closing value	2,299,924	1,188,757
Russell Investments Hedged Global Shares Fund		
Opening value	612,585	701,042
Applications	227,822	162,766
Redemptions	(104,882)	(188,039)
Change in fair value	130,332	(63,184)
Closing value	865,857	612,585
Antipodes Global Fund Long (PIE)		
Opening value	241,528	19,422
Applications	367,872	210,000
Redemptions	(130,021)	(6,908)
Change in fair value	76,214	19,014
Closing value	555,593	241,528
Te Ahumairangi Global Equity Fund		
Opening value	3,735,456	1,790,545
Applications	5,039,445	1,875,911
Redemptions	(346,247)	(188,663)
Change in fair value	1,585,971	257,663
Closing value	10,014,625	3,735,456

8. RECONCILIATION OF NET GAIN/(LOSS) BEFORE MEMBERSHIP ACTIVITIES TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	InvestNow KiwiSaver Scheme	
	2024 \$	2023 \$
Net gain/(loss) attributable before membership activities	32,045,486	(552,253)
Adjustments for:		
Purchase of investments	(94,367,930)	(90,299,451)
Non-cash purchase of investments (distribution reinvestment and fee rebates)	(1,289,394)	(873,153)
Sale of investments	25,021,188	17,734,683
Net (gains)/losses on financial assets at fair value through profit or loss	(30,756,092)	1,425,406
Net cash outflow from operating activities	(69,346,742)	(72,564,768)

Notes to the financial statements - continued

9. FINANCIAL RISKS

Financial risk factors The Scheme's activities exposes it to a variety of financial risks: market risk (including market price risk, currency risk and interest rate risk), credit risk and liquidity risk.

The Funds of the Scheme each have their own investment objectives, strategies and guidelines as outlined in the SIPO. The underlying manager of each Fund sets the investment policy and investment guidelines for each Fund and each Fund may have a policy that allows them to use derivative instruments to moderate certain risk exposures. The Manager, in conjunction with the Investment Manager, oversees the development, implementation and monitoring of each Fund's investment mandate. The Manager does not oversee the development, implementation and monitoring of the underlying Fund's investment mandates. The Manager, with advice from the Investment Manager, appoints and removes the underlying fund managers responsible for managing the underlying funds.

All securities investments present a risk of loss of capital. The maximum loss of capital on unlisted unit trusts is limited to the fair value of those positions.

9(A). MARKET RISK

Price risk Market price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

The Scheme invests in other funds and are susceptible to market price risk arising from uncertainties about future values of those underlying funds.

Price risk - sensitivity analysis At 31 March, the net fair value of financial instruments is exposed to price risk. The Manager considers the volatility of the fair value of investments in portfolios to be in the 10% range (2023: 10%), based on historical experience. Actual movements may be significantly different to this and will vary by Fund depending on the investments held. If the price of the Scheme's investments increased or decreased by 10%, the Scheme's net assets attributable to unit holders and net profit/(loss) would increase or decrease as follows:

	InvestNow KiwiSaver Scheme	
	2024	2023
	\$	\$
Financial assets at fair value through profit or loss		
Unlisted unit trusts	246,867,733	145,568,958
Total	246,867,733	145,568,958
Sensitivity analysis		
10% increase in prices	24,686,773	14,556,896
10% decrease in prices	(24,686,773)	(14,556,896)

Currency risk Currency risk is the risk that the value of the financial instruments will fluctuate due to changes in foreign exchange rates.

The Scheme does not hold cash and cash equivalents or financial assets at fair value through profit or loss denominated in currencies other than New Zealand dollar, the functional currency. The Scheme is therefore not exposed to currency risk. The Scheme is, however, exposed indirectly to currency risk through their holdings in unlisted unit trusts.

Interest rate risk Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Scheme does not hold cash in interest bearing accounts in accordance with the Investment Mandate for the Scheme. The Scheme is therefore not exposed to material risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flow.

Notes to the financial statements - continued

9(B). LIQUIDITY RISK

Liquidity risk is the risk that the Scheme will not be able to meet its financial obligations as they fall due.

The Manager assesses liquidity risk of the underlying funds with reference to liquidity of the underlying assets and securities. The Funds within the Scheme invest predominantly in liquid investments and hence have daily applications and redemptions. Market conditions can, however, change resulting in some assets being difficult to sell. Hence if any Fund within the Scheme were to experience liquidity problems, the Manager may defer or suspend redemptions for a period of time.

The Funds of the Scheme are exposed to daily redemptions of redeemable units, subject to the restrictions imposed by the KiwiSaver Act 2006. The Investment Manager selects underlying funds that are readily convertible to cash in normal market conditions. The redemption amount is set at the daily published unit price of each underlying investment.

Members are able to transfer their balances to other KiwiSaver schemes subject to the consent (if required) of the manager or supervisor of that scheme, and any transfer provisions of that scheme. As such, the liability for promised retirement benefits is deemed to be repayable on demand.

The Scheme's financial liabilities consist of other payables which are short term in nature and classified as current liabilities at balance date.

Credit risk represents the risk that counterparty to the financial instrument will fail to perform contractual obligations under a contract and cause the Scheme to incur a financial loss.

9(C). CREDIT RISK

With respect to credit risk arising from the financial assets of the Scheme, the Scheme's exposure to credit risk arises from the default of the counterparty, with the current exposure equal to the fair value of these instruments as disclosed in the statement of net assets. This does not represent the maximum risk exposure that could arise in the future as a result of changes in values, but best represents the current maximum exposure at the reporting date.

The Investment Manager has selected underlying funds with investment strategies that ensure an appropriate diversification of investments so that the Scheme indirectly has no significant concentrations of counterparty or credit risk.

There is no material risk of default relating to contributions receivable by the Scheme (if any) as this receivable has arisen only due to timing between the date of receipt of the funds and when the units are allocated and the receipts processed.

The Scheme does not use credit derivatives to mitigate credit risk.

The Scheme's cash and cash equivalents are held with ANZ Bank (S&P Global credit rating: AA-) (31 March 2023: AA-).

At 31 March 2024, all cash and cash equivalents are held with counterparties with high credit ratings and all financial instruments measured at amortised cost are short-term in nature (i.e. no longer than 12 months) and of high credit quality. The Manager considers the probability of default to be close to zero as the counterparties have strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Scheme (31 March 2023: same)

As at 31 March 2024, there were no financial assets past due or impaired (31 March 2023: none).

Notes to the financial statements - continued

9(D). CAPITAL RISK MANAGEMENT

The Scheme's net assets attributable to members (as represented by the liability for promised benefits) are primarily determined by contributions to the Scheme together with the change in fair value on these contributions over the period of membership. The timing of the payment of retirement benefits is determined requirements of the KiwiSaver Act 2006.

Under the terms of the Trust Deed, contributions can be made by the Scheme members, by their employers and by the Government. During the period, contributions by Scheme members, employers and the Government have been at the following rates:

- Member contributions: 3%, 4%, 6%, 8% or 10% of employee's pre-tax salary or wages. Voluntary contributions may also have been received from members.
- Employer contributions: required to contribute 3% of an employee's pre-tax salary or wages to the extent these contributions are matched by the employee.
- Government contributions: if a member is eligible, the Government will pay \$0.50 for every dollar of member contribution annually up to a maximum of \$521.43 (referred to as the Member Tax Credit).

Net assets attributable to Members are considered to be the Scheme's capital for the purposes of capital management. The Scheme's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for members through capital growth. The Scheme does this by offering investment in diversified asset classes.

The Scheme does not have any externally imposed capital requirements. Units may be redeemed on a daily basis, or such other date as the Manager shall from time to time determine.

10. CONTINGENT LIABILITIES & COMMITMENTS

The Scheme has no material commitments or material contingencies at 31 March 2024 (31 March 2023: nil).

11. AUDIT FEE

KPMG is entitled to a fee, payable by the Manager, for the audit of the financial statements. Total audit fees for the period were \$29,824 (31 March 2023: \$29,077). Fees paid by the Manager to the auditor for member register compliance assurance services were \$6,242 (31 March 2023: \$5,796).

11. EVENTS SUBSEQUENT TO BALANCE DATE

There are no significant subsequent events that require adjustment to or disclosure in these financial statements.