

Generate KiwiSaver Scheme



Annual Report

FOR THE PERIOD ENDED
31 MARCH 2022

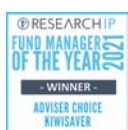
GenerateKiwiSaver.co.nz



Your Generate KiwiSaver Scheme Year in review

Generate KiwiSaver Scheme highlights	3
Get the most out of KiwiSaver and Generate	5
Details of the Scheme	6
Information on contributions and Scheme participants	7
Changes relating to the Scheme	8
Other information for particular types of managed funds	9
Changes to persons involved in the Scheme	10
How to find further information	10
Contact details and complaints	11

Generate KiwiSaver Scheme highlights



Exceptional & awarded customer service¹

Generate were voted as having the best service out of all KiwiSaver and Superannuation providers in 2022, winning the Reader's Digest Quality Service Award for Superannuation.

Generate also won the Adviser's Choice award for KiwiSaver at the Research IP Fund Manager of the Year Awards 2021 and since 31 March have been awarded a Consumer NZ People's Choice Award for 2022.



Awarded Gold Rating again by SuperRatings²

SuperRatings awarded Generate a Gold Rating for the seventh year in a row. The ratings methodology looks for KiwiSaver schemes that "offer the greater potential to maximise the retirement savings of its members in a well serviced, secure environment whilst offering suitable, well priced benefits such as member education and quality impartial financial advice".



Consistent long-term performance

Whilst it has been a difficult period recently, all three Generate funds continued to perform well for 5 year returns to 31 March 2022³

In the Morningstar KiwiSaver Survey⁴ to 31 March 2022:

- the Focused Growth Fund ranked 2nd in the multi-sector aggressive category for 5-year performance out of 12 funds returning 10.4% after fees vs the average of 9.5%.
- the Growth Fund ranked 4th in the multi-sector growth category for 5-year performance out of 28 funds returning 9.6% after fees vs the average of 8.6%.
- the Conservative Fund (now named Moderate Fund) ranked 1st in the multi-sector moderate category for 5-year performance out of 22 funds returning 5.5% after fees vs the average of 4.6%.



Kiwis taking care of Kiwis

We're proud to be a New Zealand owned and operated KiwiSaver and investment specialists. We strive to deliver a great product and industry leading service to try to help our 110,000+ members make the most of their KiwiSaver accounts. Over the last six years we have led our industry with more than 93% of all new Generate KiwiSaver members speaking to an adviser before they join.

¹ View our advertising disclosures here generatekiwisaver.co.nz/pds/

² The ratings issued by SuperRatings Pty Ltd ABN 95 100 192 283 AFSL 311880 (SuperRatings) for Generate KiwiSaver Scheme ('Gold' rating), are as of 23 November 2021. SuperRatings does not guarantee the data or content contained herein to be accurate, complete or up-to-date, and it will not have any liability for its use or distribution. Ratings are not financial advice for the purposes of the Financial Markets Conduct Act 2013. Consider your personal circumstances, read the product disclosure statement and seek independent financial advice before investing. SuperRatings uses objective criteria and receives a fee for publishing awards. Visit superratings.com.au for ratings information and to access the full report. © 2021 SuperRatings. All rights reserved.

³ © 2022 Morningstar, Inc. All rights reserved. Neither Morningstar, its affiliates, nor the content providers guarantee the data or content contained herein to be accurate, complete or timely nor will they have any liability for its use or distribution. Any general advice or 'regulated financial advice' under New Zealand law has been prepared by Morningstar Australasia Pty Ltd (ABN: 95 090 665 544, AFSL: 240892) and/or Morningstar Research Ltd, subsidiaries of Morningstar, Inc, without reference to your objectives, financial situation or needs. For more information refer to our Financial Services Guide (AU) and Financial Advice Provider Disclosure Statement (NZ) at www.morningstar.com.au/s/fsg.pdf and www.morningstar.com.au/s/fapds.pdf. You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statement before making any decision to invest. Our publications, ratings and products should be viewed as an additional investment resource, not as your sole source of information. Past performance does not necessarily indicate a financial product's future performance. To obtain advice tailored to your situation, contact a professional financial adviser. Some material is copyright and published under licence from ASX Operations Pty Ltd ACN 004 523 782.

⁴ Morningstar KiwiSaver Survey March 2022. After fees returns do not take into consideration member fees paid in dollars. Generate charges \$36p.a. per member. Please see generatekiwisaver.co.nz/pds/ for Morningstar disclosures.



Responsible Investment

Generate continues to be a signatory to the United Nations Principles for Responsible Investment (UNPRI). We are proud to have taken these steps on behalf of our members and their investments. For further details on our approach to responsible investment please see our Responsible Investment Policy.

Impact investments that make a difference

We continue to promote impact investing and work actively with partners for a more sustainable future.

Generate were part of a group that won Outstanding Collaboration Award at the 2021 Sustainable Business Awards, for our part in The Aotearoa Pledge – a bold vision to raise and invest \$100 million in 2021, to tackle New Zealand’s housing shortage.

This investment opportunity provided both affordable housing for those in need, and delivered Generate members a sound investment return.

We’re also a major shareholder in Skyline Healthcare Group (SHG), New Zealand’s market leader in aeromedical transport. They provide essential healthcare services to every District Health Board in New Zealand, with scheduled and emergency patient transfers. We’re proud our impact investment helps support kiwis when they need it most.

Generate funds awarded ‘Mindful Fund’ badge

Generate’s funds were all awarded the ‘Mindful Fund’ badge by Mindful Money. Mindful Money is a charity that promotes ethical investment and aims to empower investors and make investment a force for good.

Generate funds also continued to have some of the lowest levels of investment in ‘issues of concern’ on the Mindful Money website. As of 4 May 2022, our KiwiSaver Moderate Fund (previously called Conservative Fund) has 0% investments ‘of concern’, the Generate KiwiSaver Growth Fund scores 1.77% and the Generate KiwiSaver Focused Growth Fund has 2.51%.¹



And we’ve also chosen to work with the Live Ocean Foundation, and have committed to a minimum \$150,000 donation over three years, to support the amazing work they do to protect and restore our significant ocean spaces.

¹ Mindful Money scores as at 4 May 2022. www.mindfulmoney.nz/funds/all/

Your most important KiwiSaver decisions: fund choice and contribution rate

Choosing the right fund will help you reach your goals

The difference between a conservative fund and a growth fund over a lifetime, can be hundreds of thousands of dollars for your retirement. Things change in life so its important to regularly check that you are in the right fund based on your attitude to risk and investment time horizon. Use our online retirement retirement savings calculator and our fund selector tool or contact your adviser to see if you're making the most of your KiwiSaver account.

generatekiwisaver.co.nz/survey_calculator

generatekiwisaver.co.nz/survey

Increase your retirement income, by contributing a little more now

Once you have made the right fund choice the next best way to grow your KiwiSaver account is to increase your contribution rate. The difference between 3%, 4%, 6%, 8% or 10% over a lifetime, can be hundreds of thousands of dollars for your retirement. If you can afford it, you should consider increasing your contributions. See our website for more details or speak with your adviser.

Government Contribution – the Government gives you \$521.43 every year

If you're eligible, the Government will contribute 50 cents for every dollar you contribute to your KiwiSaver account, up to a maximum of \$521.43 each year. If you can afford to contribute enough to get your Government Contribution you should. It doesn't matter if you're not working you can still contribute directly to the Scheme. If you are finding it hard to afford the one-off lump sum or life gets too busy to get it organised, consider setting up a direct debit of \$21 a week so you don't miss out on this generous benefit.

Make sure you log in to your account

The Generate online account continues to get great feedback from members. It has some great features, including showing you all of your direct investments, giving you transparency into where and what you're investing. Log in and take control of your KiwiSaver savings, know how it is progressing and where you're investing.

Aussie Super – Worked in Australia?

If you like the performance and service of Generate consider moving your Aussie Super back to New Zealand and investing it in your Generate KiwiSaver Scheme account. We don't charge any additional fees for this service so please give us a call. We're here to help!

Details of the Scheme

The Generate KiwiSaver Scheme (the “Scheme”) comprises three Funds and two life cycle investment options.

The Funds are the Conservative Fund, the Growth Fund and the Focused Growth Fund. The life cycle investment options are Stepping Stones and Stepping Stones Growth. This annual report for the Scheme covers the period 1 April 2021 - 31 March 2022.

The Scheme is a registered KiwiSaver scheme.

The Manager of the Scheme is Generate Investment Management Limited (“Generate”), who is also the investment manager of the Scheme.

For more information about our investment team, investment philosophy and historical investment returns please refer to our website generatekiwisaver.co.nz

The Supervisor of the Scheme is Public Trust (the “Supervisor”).

The current product disclosure statement for the Scheme is dated 16 May 2022 and is open for applications and available at generatekiwisaver.co.nz/pds

The 30 June 2022 quarterly fund update for each Fund is currently available at generatekiwisaver.co.nz/fund-updates

The latest financial statements and auditor’s report for the scheme for the financial year 1 April 2021 - 31 March 2022 were registered under the Financial Markets Conduct Act 2013 on 18 July 2022.

On 16 May 2022 we launched three new KiwiSaver fund options, including a Defensive, Conservative and Balanced fund. We also changed the name of our previous Conservative Fund to our new Moderate Fund. The introduction of these new funds means Generate members now have a greater selection of KiwiSaver funds to invest in, which should be advantageous as they move through their investment journey. For more information on these new funds, see generatekiwisaver.co.nz/kiwisaver/

Information on contributions and Scheme participants

For the Year Ended 31 March 2022

Membership Summary

The table below sets out the changes in membership of the Scheme during the year.

MEMBERSHIP SUMMARY	Number of Members	Funds Under Management (\$)
Total members as at 1 April 2021	97,984 ¹	\$2,693,923,321
ADD		
New members to KiwiSaver	4,063	
Transferring from other KiwiSaver schemes	15,067	
Transferring from Australian Superannuation schemes	27	
Transferring from other retirement schemes	15	
LESS		
Retirement	259	
Death	73	
Transferring to an Australian Superannuation scheme	51	
Transfer out to other KiwiSaver schemes	2,933	
Other exits	175	
Members as at 31 March 2022	113,665²	\$3,283,258,779

¹ The number of members at the start of the year comprises 72,163 contributing members and 25,821 non-contributing members.

² The number of members at the end of the year comprises 82,145 contributing members and 31,520 non-contributing members.

Contributions Summary

The table below sets out the contributions made to the Scheme during the year.

CONTRIBUTION SOURCE	Number of Members	Amount (\$)
Member contributions	82,736	\$205,760,749
Employer contributions	82,435	\$111,338,625
Crown contributions	92,198	\$37,474,117
Lump sum contributions	17,525	\$72,102,733
Other voluntary contributions	4,848	\$3,153,878
Transfers from other retirement schemes	15	\$381,218
Transfers in from other KiwiSaver schemes	15,067	\$402,829,096
Transfers in from Australian Superannuation schemes	27	\$4,834,741

Changes relating to the Scheme

The following is a summary of material changes relating to the Scheme made during the year ended 31 March 2022.

Governing Document

There have been no material changes to the Trust Deed, our Governing Document, during the accounting period.

Terms of the offer of interests in the Scheme

There have been no material changes to the terms of offer of interests during the accounting period.

Statement of Investment Policy and Objectives

There were no material changes to the SIPO during the accounting period.

The most recent versions of these documents are available at generatekiwisaver.co.nz and on the Disclose Register at www.companiesoffice.govt.nz/disclose

The Scheme SIPO is available at generatekiwisaver.co.nz/forms-and-downloads

Related Party Transactions

All related party transactions with the Scheme were on arm's length terms. There were no material changes to the nature or scale of the Scheme's related party transactions.

Wholesale Funds

We introduced Wholesale Funds during the accounting period. All of the Generate KiwiSaver Funds invest via our Wholesale Funds. This provides operational and administrative efficiencies. Generate Investment Management Limited does not charge a management fee to the Wholesale Funds so there is no additional cost.

The most recent versions of these documents are available at generatekiwisaver.co.nz and on the Disclose Register at www.companiesoffice.govt.nz/disclose

The Scheme SIPO is available at generatekiwisaver.co.nz/forms-and-downloads

Other information for particular types of managed funds

Withdrawals

The table below sets out the withdrawals from the Scheme during the year.

WITHDRAWAL SUMMARY	Number of Members
First home	2,509
Retirement	948
Death	73
Transfer to other KiwiSaver schemes	2,933
Other payments	140
Significant financial hardship	663
Serious illness	144
Permanent emigration	32

Investment Performance

The unit prices of each of the Funds for the year ended 31 March 2022 were:

FUND	\$ Unit price on 31/03/21	\$ Unit price on 31/03/22
Conservative Fund	1.5909	1.586
Growth Fund	2.0986	2.1242
Focused Growth Fund	2.2476	2.2521

*** Past performance is not necessarily an indicator of future performance.** No returns are guaranteed or assured by any person.

Returns and the current unit prices are available at generatekiwisaver.co.nz

Manager's Statement

Generate as the Manager of the Scheme confirms that for the year ended 31 March 2022:

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 the market value of the Scheme property at the balance date 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, where necessary, had provision been made for the continued payment of all benefits being paid to members and other beneficiaries as at the balance date.

Changes to persons involved in the Scheme

There were no changes to the manager, its directors, administration manager, investment manager, custodian, securities registrar or auditor of the scheme.

Changes to the Board Members of the Supervisor Public Trust

During the period (1 April 2021 - 31 March 2022), there were no changes to the Public Trust Board.

How to find further information

Further information about the Scheme is available on the Disclose Register at: www.companiesoffice.govt.nz/disclose

The information on the Disclose Register is provided in two sections, under 'Schemes' and 'Offers'.

1. The 'Schemes' section includes information such as the Governing Document (Trust Deed), the financial statements and the SIPO.
2. The 'Offers' section includes information such as the product disclosure statement, quarterly fund updates, historic fund returns and other material information.

This information is also available on our website generatekiwisaver.co.nz or you can request it via email at info@generatekiwisaver.co.nz or Freephone on 0800 855 322. This information is provided at no charge to you.

Contact details and complaints

If you have any questions or complaints about your investment please contact us:

Compliance Officer
Generate Investment Management Limited
Level 9, Jarden House
21 Queen Street
Auckland Central
Auckland 1010

PO Box 91609
Victoria Street West
Auckland 1142

Freephone: **0800 855 322**
Email: **info@generatekiwisaver.co.nz**
Website: **generatewealth.co.nz**

You may also contact the Supervisor at:

Client Services Manager
Corporate Trustee Services
Public Trust
Level 16, SAP Tower
151 Queen Street
Auckland 1010

Freephone: 0800 371 471

If we or the Supervisor are unable to resolve your complaint, you may contact our external dispute resolution scheme. We are members of Financial Services Complaints Limited (FSCL).

You can contact FSCL at:

Financial Services Complaints Limited
Level 4
101 Lambton Quay
Wellington 6011

PO Box 5967
Wellington 6140

Freephone: 0800 347 257
Email: complaints@fscl.org.nz

FSCL will not charge a fee to any complainant to investigate or resolve a complaint.

Full details of how to access the FSCL scheme can be obtained from its website fscl.org.nz.

You may contact the securities registrar at:

MMC Limited
Level 25, QBE Centre
125 Queen Street
Auckland 1010

Telephone: 09 309 8926

Generate[™]
Together.

The logo features a green curved line above the text. **KiwiSaver**[™]
Poua he Oranga

GenerateKiwiSaver.co.nz