

Generate KiwiSaver Scheme

Annual Report

FOR THE PERIOD ENDED
31 MARCH 2024



GenerateKiwiSaver.co.nz



Your Generate KiwiSaver Scheme Year in review

Generate KiwiSaver Scheme highlights	3
Making the most of your KiwiSaver investment	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

We strive to deliver top-performing funds and industry-leading service to help our 140,000+ members maximise their KiwiSaver investment.

Chart-topping long-term performance

We're proud to have delivered more great long-term performance for our members again, exemplified by our chart-topping results in the Morningstar KiwiSaver Report to 31 March 2024¹.

- The **Generate Focused Growth Fund ranked 1st** for 10-year returns in the Aggressive category with a 10.5% p.a. return after fees¹.
This is the highest return for any multi-sector KiwiSaver fund in the Morningstar Aggressive, Growth, Balanced, Moderate, or Conservative categories for 10-year returns over this period.
- The **Generate Growth Fund ranked 2nd** for 10-year returns in the Growth category with a 9.6% p.a. return after fee¹.
- The **Generate Moderate Fund ranked 1st** out of 12 funds for 10-year returns in the Moderate category, with a 6.0% p.a. return after fees¹.

We believe these KiwiSaver results validate our ethos and commitment to investing for the long-term and empowering Kiwis to make smart decisions regarding their KiwiSaver savings.

The Generate Defensive, Conservative and Balanced Funds only launched in May 2022, so do not yet have long-term performance results, but their short-term performance has been pleasing.

Note: When comparing fund performance, Generate recommends looking at long-term performance after fees, where possible. Past performance does not guarantee future performance.



Exceptional & awarded customer service

We were proud to be finalists at the Morningstar Fund Manager of the Year Awards. These prestigious awards recognise the best fund managers in the industry and it was rewarding to have our strong long-term fund performance recognised in this forum.

It was also fantastic to be awarded a Consumer NZ People's Choice Award for the third year in a row, a Reader's Digest Trusted Brands Award and the Canstar Award for Most Satisfied Customers.

And as a cherry on top we were voted as winners of the Investor Choice Award for KiwiSaver at the Research IP Fund Manager of the Year Awards 2023.

These awards are a testament to our team's dedication to service and commitment to supporting our members.

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

¹ © 2024 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 in New Zealand. Past performance does not necessarily indicate a financial product's future performance. To obtain advice tailored to your situation, contact a financial adviser. Some material is copyright and published under licence from ASX Operations Pty Ltd ACN 004 523 782.

Morningstar KiwiSaver Survey March 2024. After fees returns do not take into consideration member fees paid in dollars. Generate charges \$36p.a. per member. Please see generatekiwisaver.co.nz/disclosures for Morningstar disclosures.



Recognition for responsible investing

We continue to work actively with partners for a more sustainable future and are proud of the industry recognition we've received for our community and environmental impact investments.

We were pleased to be named as finalists for Responsible Fund Manager of the Year at the Research IP Fund Manager of the Year Awards 2023.

And it was great to have all of Generate's funds were recognised as 'Mindful Funds' by Mindful Money for another year.

The Mindful Fund badge is awarded to responsible investment funds that meet Mindful Money's criteria for avoiding harm, practicing stewardship, and supporting sustainable companies.

See mindfulmoney.nz for more details.

For further details on our approach to responsible investment download our Responsible Investing Policy at generatekiwisaver.co.nz/responsible-investing

Celebrating our charity partners

Generate's parent company continued to work with the Live Ocean Foundation, and has committed to a minimum \$150,000 donation over three years, to support the incredible work they do to protect and restore our significant ocean spaces.

We also announced a new charity partnership with the Spirit of Adventure Trust. This collaboration aims to support the development and growth of young people in New Zealand, empowering them to develop the skills and resilience they need to achieve their goals in life – just as we are committed to helping our investors reach their KiwiSaver goals.

As part of this partnership, we have sponsored four young Kiwis to join one of these voyages. We eagerly anticipate hearing about their experiences.

Kiwis taking care of Kiwis

As New Zealand owned and operated KiwiSaver specialists we're passionate about empowering Kiwis to make smart savings decisions that will help them be better off in the future. We know expert advice adds long-term value to your savings, which is why we're proud that over 90% of our 140,000+ members spoke to or were given the opportunity to speak to an adviser before joining the Generate KiwiSaver Scheme.

Making the most of your KiwiSaver investment

Choosing the right fund will help you reach your goals

The difference in returns between a conservative fund and a growth fund over a lifetime can be hundreds of thousands of dollars. Things change in life so it's important to regularly check that you are in the right fund based on your appetite for risk and investment timeframe. Use our online 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/kiwisaver-calculator

generatekiwisaver.co.nz/choosing-the-right-fund

Look forward to more at retirement, by increasing your contributions 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% may seem small, but thanks to compounding returns overtime these extra contributions can really add up! If you can afford it, you should consider increasing your contributions. See our website for more details or speak with your adviser.

Make sure you qualify for the \$521.43 Government contribution 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 it is well worth it. If you are not working, you can still qualify for the Government contribution – consider setting up a direct debit so you don't miss out on this generous benefit next year. You'll need to contribute at least \$1,042.86 before the end of June 2025 to get the maximum amount.

Track and manage your KiwiSaver investment with the new Generate app

It's easy to track and manage your Generate investments with the new Generate app, available on iOS or Android.

Download the app to:

- Quickly see your account balance
- View your transaction history and investment returns
- Download your annual statements
- Drill down to see exactly where your funds are invested
- Manage your Generate Managed Funds investments

You can also log in to your Generate account via our website.

Bring your Aussie Super back to New Zealand

If you've worked in Australia anytime within the last 20 years, you may want to consider transferring your Aussie Super to your KiwiSaver account. Keeping everything together can make things easier to keep track of, and easier to access when you reach retirement. We don't charge any additional fees for this service, but there are some conditions worth understanding before making the switch. If you're interested, give us a call – we're here to help!

Details of the Scheme

The Generate KiwiSaver Scheme (the “Scheme”) comprises six KiwiSaver Funds and two age-related investment strategies, that automatically select and update your investment Fund/s as you get older.

The Generate KiwiSaver Scheme Funds include a:

- Defensive Fund
- Conservative Fund
- Moderate Fund
- Balanced Fund
- Growth Fund
- Focused Growth Fund

The age-related investment strategies are:

- Stepping Stones
- Stepping Stones Growth.

This annual report for the Scheme covers the period 1 April 2023 - 31 March 2024.

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 30 June 2023 and is open for applications and available at generatekiwisaver.co.nz

The 30 June 2024 quarterly fund update for each Fund is currently available at generatekiwisaver.co.nz

The latest financial statements and auditor’s report for the scheme for the financial year 1 April 2023 - 31 March 2024 were registered under the Financial Markets Conduct Act 2013 on 25 July 2024.

Information on contributions and Scheme participants

For the Year Ended 31 March 2024

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 2023	126,114 ¹	\$3,761,042,485
ADD		
New members to KiwiSaver	3,926	
Transferring from other KiwiSaver schemes	16,428	
Transferring from Australian Superannuation schemes	8	
Transferring from other retirement schemes	2	
LESS		
Retirement	633	
Death	110	
Transferring to an Australian Superannuation scheme	298	
Transfer out to other KiwiSaver schemes	3,630	
Other exits	254	
Members as at 31 March 2024	141,553²	\$5,295,778,535

¹ The number of members at the end of the year should have been reported as 126,114. Made up of 93,766 contributing members and 32,348 non-contributing members on the Annual Report For the Period Ended 31 March 2023.

² The number of members at the end of the year comprises 103,238 contributing members and 38,315 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	105,217	\$293,209,039
Employer contributions	103,845	\$157,595,374
Crown contributions	117,097	\$47,714,377
Lump sum contributions	18,467	\$34,933,695
Other voluntary contributions	1,702	\$1,847,495
Transfers from other retirement schemes	14	\$324,450
Transfers in from other KiwiSaver schemes	16,720	\$451,162,845
Transfers in from Australian Superannuation schemes	173	\$5,316,956

Changes relating to the Scheme

The following is a summary of material changes relating to the Scheme made during the year ended 31 March 2024.

Governing Document

Over the accounting period:

- amendments to the Trust Deed were made to facilitate the manager's ability to implement additional liquidity management tools, permit the direct payment of adviser fees and allow for the potential introduction of performance fees (noting that no performance fees with respect to the Manager have been implemented) dated 10 May 2023.

Terms of the offer of interests in the Scheme

We updated the Product Disclosure Statement in June 2023, changes included:

- a reduction in fees for the Growth and Focused Growth Funds.

Statement of Investment Policy and Objectives

During the accounting period the SIPO was amended:

- in April 2023 to include detail around sovereign, supranational and agency bonds and outlining IC approval being given to fall outside Liquidity guidelines;
- in June 2023 updating wording to the performance objectives of the funds;
- in October 2023 to increase the investment concentration limit for international equities.

Related Party Transactions

There was one change to the nature and scale of the Scheme's related party transactions. During this accounting period, a related party of the Manager, Generate Investment Holdings Limited, introduced new services that may be offered to Scheme members. Scheme members may authorise the Manager to pay Generate Investment Holdings Limited's fees for such services directly from the member's account. The Manager provided a Related Party Certificate to its Supervisor, Public Trust, notifying Public Trust of this potential arrangement and the associated related party transactions. All related party transactions with the Scheme were on arm's length terms.

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

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	2,341
Retirement	1,807
Death	110
Transfer to other KiwiSaver schemes	3,630
Other payments	175
Significant financial hardship	1,336
Serious illness	103
Permanent emigration	79
Transfers to Australian superannuation schemes	298
Life Shortening Congenital Illness	1

Investment Performance

The unit prices of each of the Funds for the year ended 31 March 2024 were:

FUND	\$ Unit price on 31/03/23	\$ Unit price on 31/03/24
Defensive Fund	1.0110	1.0669
Conservative Fund	1.0150	1.0956
Moderate Fund (formerly named the Conservative Fund)	1.5760	1.7484
Balanced Fund	1.0295	1.1793
Growth Fund	2.0573	2.4682
Focused Growth Fund	2.1604	2.7021

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 2024:

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, key personnel, administration manager, investment manager, custodian, securities registrar, Supervisor or auditor of the scheme.

Changes to the Board of members of Generate Investment Management Limited

1. Nicholas Kynoch was appointed as an Executive Director on 18 April 2023.
2. Scott Weenink resigned as a member on 14 September 2023.
3. Helen Robinson was appointed as a Director on 12 October 2023.

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, annual report 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: **generatekiwisaver.co.nz**

You may also contact the Supervisor at:

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

Private Bag 5902
Wellington 6140

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:

APEX Investment Administration Limited
Level 25, QBE Centre
125 Queen Street
Auckland 1010

Telephone: 09 309 8926

Generate[™]



GenerateKiwiSaver.co.nz