



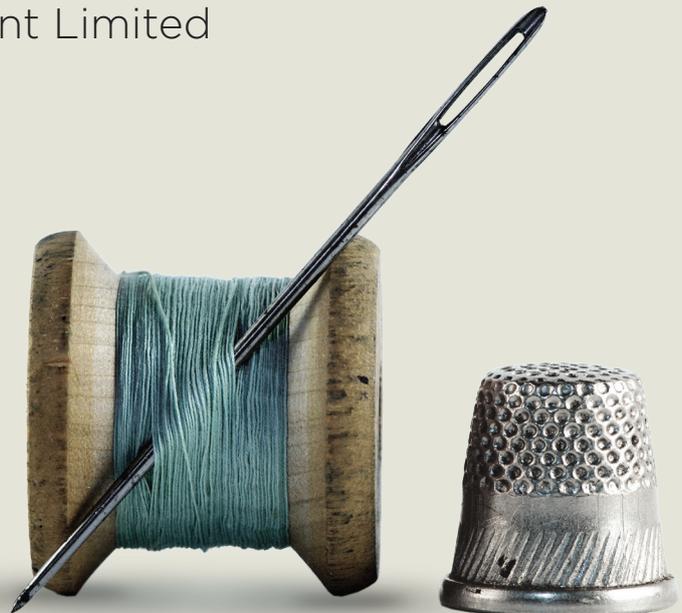
CRAIGS[®]
INVESTMENT PARTNERS

Craigs KiwiSaver Scheme

2018 Annual Report

For the Year Ended 31 March 2018

Craigs Investment Partners
Superannuation Management Limited

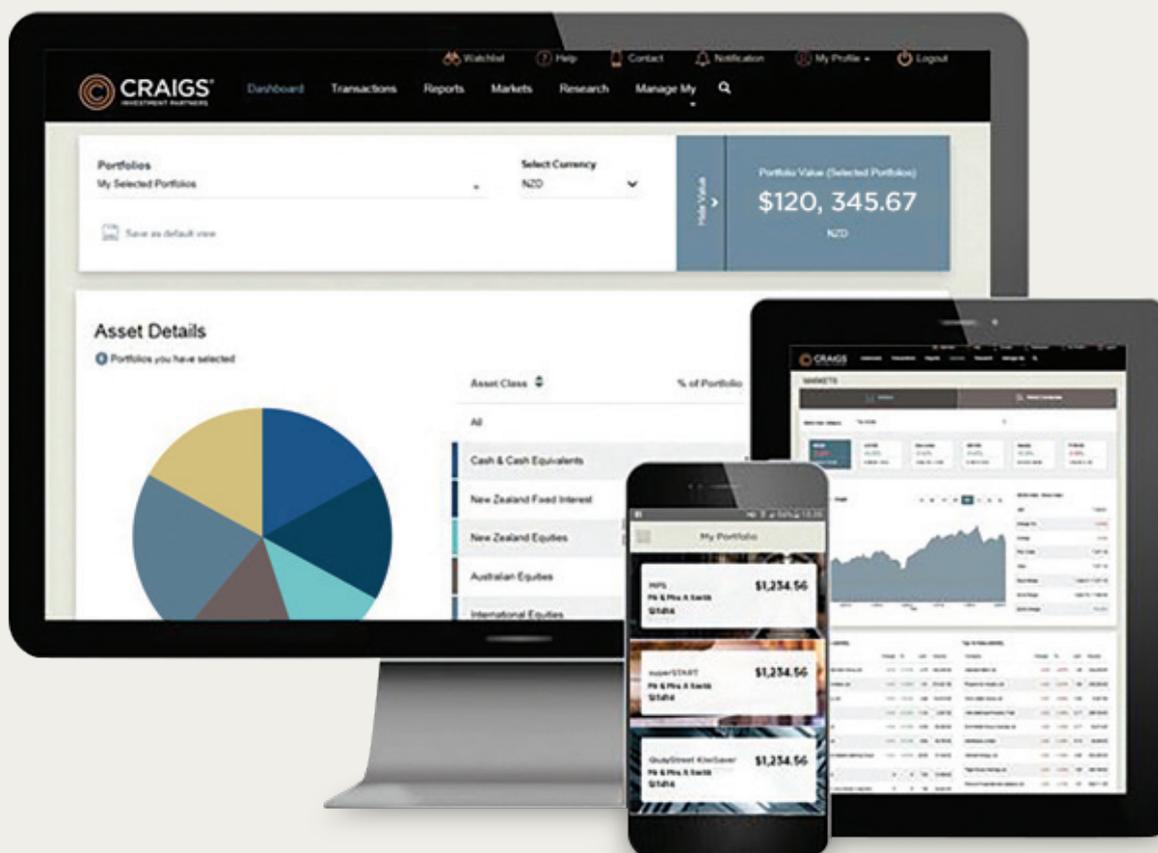


KiwiSaver[™]
Poua he Oranga

NZX Firm

Craigs Client Portal & Mobile App

Monitor the performance of your investments on any device anytime, anywhere.



- **Performance of your investments** & portfolio holdings
- **Extensive research** across NZ, Australia & global markets
- **Comprehensive market data** & dynamic charting
- **Go paperless** and receive your reports and statements electronically

To download the Craigs Mobile App, search for 'Craigs Investment Partners' in your app store.



Contents

A year in review.....	/ 02
Details of Scheme	/ 04
Information on contributions and scheme participants	/ 05
Changes relating to the Scheme	/ 06
Other information for particular types of managed funds	/ 07
Changes to persons involved in the Scheme	/ 09
How to find further information	/ 10
Contact details and complaints	/ 10

A year in review

12 Months to 31 March 2018



Most global sharemarkets buoyant over the year

World shares had another strong year, rising 15.4% in the 12 months to 31 March. This was a very similar return to the previous year, although a key difference this time was much more divergence in the performance between regions. The top performing major region was emerging markets, with a gain of 25.4%. Japan and the US were also up strongly, rising 13.5% and 11.8% respectively. Europe and the UK were two of the weaker performers, with European shares slipping 0.5% and the UK market down 3.6%. New Zealand investors still saw gains from investments in these regions, but only because the NZ dollar fell against both the euro and the pound. Australian shares were up 3.6% for the period, although if it wasn't for dividend payments this return would've been slightly negative. The local market continued to perform extremely well, with the NZX 50 index gaining 15.6% over the 12 months.

The new Government

A key event during the year was undoubtedly the announcement of a change in Government. The sharemarket took this in its stride, although we did see some weakness in the NZ dollar in response.

Against this backdrop of new leadership, focal points for financial markets include potential policy changes regarding housing, foreign ownership, immigration, tax and industrial relations. It could be some time before we have clarity around many of these, and the uncertainty around this is clearly weighing on the business sector. While the sharemarket has been largely unmoved by the changing political landscape, businesses aren't nearly as relaxed. The ANZ Business Outlook Survey saw business confidence fall to the lowest levels since 2009 in November, and while this has rebounded slightly, it remains pessimistic.



Global interest rates continue to rise

Interest rates have begun to rise in some parts of the world, led by the US. On the back of a buoyant economy and signs of wage growth emerging, the Federal Reserve increased its benchmark interest rate from 1.00% to 1.75%. This saw the US 10-year Treasury yield rise from 2.39% to 2.73% during the year ended 31 March 2018. Although we are not seeing evidence of rising interest rates in New Zealand, we are unlikely to be immune to these offshore pressures and investors need to give consideration to this when implementing their investment strategy.

The NZ dollar slips a little

On a trade-weighted basis, the NZ dollar didn't move much during the year, finishing March just 1.7% below the average of 2017. However, there were larger moves against individual currencies. The currency rose 3.4% against the US dollar and 2.6% against the Australian dollar, but fell sharply against the British pound (-7.6%) and the euro (-10.7%). The NZ dollar is trading above long-term averages against all of these, and while it is hard to see it moving back to historic levels anytime soon, we wouldn't be surprised to see the currency drift lower as other central banks slowly normalise monetary policy.

What to expect over the coming 12 months

As always, there is a plethora of things to watch over the second half of the calendar year and into early 2019. A lot of focus will be on central banks, as markets watch for further interest rate hikes from the Federal Reserve in the US, and a change in tack from the European Central Bank. The Reserve Bank of New Zealand is unlikely to adjust policy this year, although 2019 could be a different story. Geopolitics events will be important given the trade tensions that are building, the relationship between the US and other countries, plus the ongoing issues in some parts of Europe. Locally, policy change from the Government will be front of mind for many investors, as will the recommendations from the Tax Working Group.

Details of Scheme

As Manager of the Craigs KiwiSaver Scheme (the Scheme), Craigs Investment Partners Superannuation Management Limited (CIPSML) presents to members the annual report for the year ended 31 March 2018.

Name of the Scheme	Craigs KiwiSaver Scheme
Type of Scheme	KiwiSaver scheme
Manager	Craigs Investment Partners Superannuation Management Limited
Supervisor	The New Zealand Guardian Trust Company Limited
Product Disclosure Statement	The Product Disclosure Statement as at 31 March 2018 was dated 14 December 2017. The latest Product Disclosure Statement is dated 23 April 2018, and is open for applications.
Latest Fund Update	<p>CIPSML is not required to publish quarterly fund updates due to the nature of the Scheme.</p> <p>Instead, CIPSML produces personalised quarterly reports tailored to each member. The reports as at the balance date (31 March 2018) were for the quarter ended 31 March 2018. The latest reports were for the quarter ended 30 June 2018.</p> <p>For a copy of your reports, please sign into your account on the client portal or contact the Client Services Team on 0800 878 278 or via email clientservices@craigsip.com.</p>
Financial Statements	<p>The Scheme's latest financial statements and the auditor's report for the period ending 31 March 2018, are dated 19 June 2018.</p> <p>They were lodged with the Registrar on 23 July 2018 and are available from the Disclose Register disclose-register.companiesoffice.govt.nz (search the scheme register) or from craigsip.com/document-library.</p>



Information on contributions and scheme participants

MEMBERSHIP DETAILS

Total Scheme Participants	Contributing	Non Contributing*	Total Membership	Total Accumulation
Members as at 01 April 2017	3,266	1,309	4,575	\$177,896,711
New Scheme Members				
Transfers			268	
> Transfers from other KiwiSaver schemes			247	
> Transfers from other registered superannuation schemes			-	
> Transfers from Australian superannuation schemes			21	
Other New Members			150	
Total New Members			418	
Exiting Scheme Members				
Retirement			94	
Death			1	
Transfers			183	
> Transfers to other KiwiSaver schemes			182	
> Transfers to Australian superannuation schemes			1	
Other Reasons			8	
> Invalid enrolment			1	
> Permanent emigration			7	
> Other permanent exits			-	
Total Exiting Members			286	
Members as at 31 March 2018	3,408	1,299	4,707	\$207,840,769

* In this annual report, non-contributing members are defined as those who have not made a contribution in the two months prior to the end of the financial year (31 March 2018), those who have failed to make contracted payments or those on a contributions holiday.

CONTRIBUTION DETAILS

Total Contributions for the Year Ended 31 March 2018	Number of Members	Total Amount \$
Member contributions	5,256	\$24,470,516
> Member regular contributions	4,171	\$11,252,294
> Member voluntary additional contributions	817	\$1,156,089
> Transfers from other schemes	268	\$12,062,133
Employer or other sponsor contributions	2,983	\$5,599,114
Crown contributions	3,580	\$1,748,776
Total Contributions		\$31,818,406

Changes relating to the Scheme

GOVERNING DOCUMENT

The Scheme transitioned to the Financial Markets Conduct Act 2013 (the FMCA) and was renamed the Craigs KiwiSaver Scheme (known previously as the Craigs Investment Partners kiwiSTART Select Scheme) effective 30 November 2016. The Scheme is governed by an amended and restated Trust Deed dated 15 November 2016 (Trust Deed).

There were no material changes to the Trust Deed during the year ended 31 March 2018.

TERMS OF THE OFFER

The Scheme is governed by the Trust Deed, FMCA, the KiwiSaver Act 2006, and the offer documents, including the Product Disclosure Statement (PDS), Investment Options document and the Other Material Information document (OMI).

There were no material changes to the terms of the Scheme offer during the year ended 31 March 2018.

The Investment Options document provides further detail to members about each individual security. This document is reviewed on a regular basis in line with the Investment Committee decisions around inclusions to this list of securities.

Copies of the latest offer documents can be obtained on the offer register at disclose-register.companiesoffice.govt.nz or by visiting the Craigs Investment Partners website craigsip.com/KiwiSaver.

INVESTMENT OPTION CHANGES

The Investment Options document is reviewed quarterly, or more regularly where appropriate, and updated as and when required. Throughout the course of the year, securities included as Investment Options can be removed or added. Where a security is removed, we will contact you to either change your investment or reconfirm that you would like to continue to hold and/or invest in the removed security. If the latter, we will continue to remind you that the security has been removed via the Holdings Statement within your personalised quarterly reports pack.

STATEMENT OF INVESTMENT POLICY AND OBJECTIVES

A copy of the latest Statement of Investment Policy and Objectives (SIPO) can be obtained on the scheme register at disclose-register.companiesoffice.govt.nz or by visiting the Craigs Investment Partners website craigsip.com/KiwiSaver.

There were no material changes to the SIPO during the year ended 31 March 2018.

RELATED PARTY CHANGES

There were no material changes to the nature or scale of the Scheme's related party transactions during the year ended 31 March 2018.

All related party transactions are conducted on arm's-length terms.

Other information for particular types of managed funds

WITHDRAWALS

During the year ended 31 March 2018 the following withdrawals were made from the Scheme.

Permitted Member Withdrawals*	Number
> Entitlement withdrawals	133
> Transfers to other KiwiSaver schemes	202
> Transfers to Australian superannuation schemes	1
> Death	2
> Permanent emigration	8
> Invalid enrolment	1
> Meeting tax liability on foreign superannuation	-
> Court order	-
> Significant financial hardship	10
> Serious illness	3
> First home purchase**	26

* Includes partial withdrawals

** Includes second chance home withdrawals

PORTFOLIO RETURNS

The Scheme provides members the flexibility to build a portfolio of investments from the extensive list of Investment Options to suit their risk profile and investment objectives. The Investment Options are the list of securities that the Craigs Investment Partners Investment Committee have selected based on some key principles. Therefore, each member's rate of return is different due to the nature of the Scheme.

As a member of the Scheme your return is specific to your portfolio and set out in your personalised quarterly report.

Manager's Statement

Craigs Investment Partners Superannuation Management Limited

Craigs Investment Partners Superannuation Management Limited as manager of the Scheme confirms the following:

All benefits required to be paid from the Scheme in accordance with the terms of the Trust Deed and the KiwiSaver Scheme rules have been paid.

The market value of the Scheme property at the balance date (31 March 2018) 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 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

MANAGER

Craigs Investment Partners Superannuation Management Limited

There have been no changes to the Manager, including its directors, during the year ended 31 March 2018.

The Manager accepted the resignation of the following key personnel:

- Shaun Montgomery – Operations Manager

The current directors of the Manager are:

- Frank Aldridge
- Kenneth Phillip
- Michael Smith (Chairman)
- Kylie Boyd (formerly Van Heerden)

SUPERVISOR

The New Zealand Guardian Trust Company Limited

There have been no changes to the Supervisors, including its directors, during the year ended 31 March 2018.

The current directors of the Supervisor are:

- James Douglas
- Robin Flannagan

ADMINISTRATION MANAGER, INVESTMENT MANAGER & REGISTRAR

Craigs Investment Partners Limited

There have been no changes to the administration manager, investment manager or securities registrar during the year ended 31 March 2018.

There has been one new appointment to the Investment Committee:

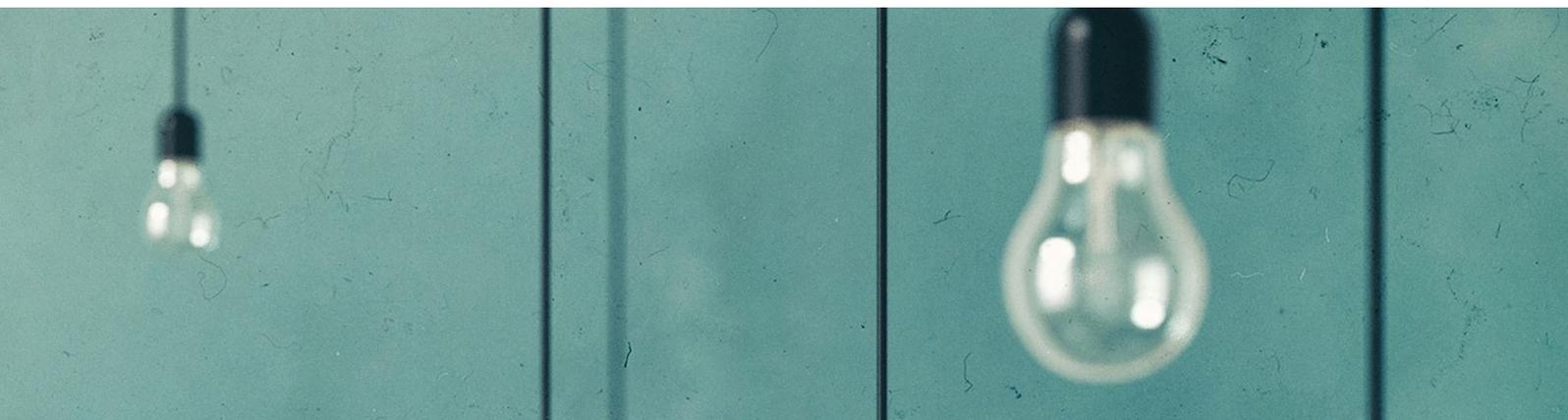
- Mohandeep Singh

The current list of Investment Committee members are:

- Mark Lister
- Deidre Copley
- Reg Montgomery
- Robert Blews
- Mohandeep Singh

CUSTODIAN AND AUDITOR

There have been no changes to the Scheme custodian or auditor during the year ended 31 March 2018.



How to find further information

Further information relating to the Craigs KiwiSaver Scheme is available on the offer register and the scheme register at disclose-register.companiesoffice.govt.nz.

The Scheme's Trust Deed, SIPO, annual report and financial statements and auditor's report are available on the scheme register at disclose-register.companiesoffice.govt.nz.

The current PDS, OMI and Investment Options document for the Scheme are available on the offer register at disclose-register.companiesoffice.govt.nz.

A copy of the documents relating to the Scheme referred to above can be obtained, on request and free of charge, by contacting our Client Services Team on 0800 878 278 or emailing clientservices@craigsip.com.

You can request an updated member's statement (showing an estimate of your benefit) from our Client Services Team on 0800 878 278 or by emailing clientservices@craigsip.com.

Contact details and complaints

CORRESPONDENCE AND ENQUIRIES

Manager

For enquiries or to obtain a copy of the Trust Deed, the most recent financial statements, auditor's report, a copy of the most recent registered PDS, OMI, Investment Options document, SIPO, or any queries relating to your benefit entitlements or the Scheme, please contact:

**Craigs KiwiSaver Scheme
Craigs Investment Partners Superannuation
Management Limited**

158 Cameron Road
PO Box 13155
Tauranga 3141

Attention: Head of Client Services
Phone: 0800 878 278
Email: clientservices@craigsip.com

Craigs Investment Partners Limited, as securities registrar, can also be contacted at the Manager's address.

Supervisor

Correspondence intended for the Supervisor, The New Zealand Guardian Trust Company Limited, should be addressed to:

**Corporate Trusts
The New Zealand Guardian Trust Company Limited**

Level 6, 191 Queen Street
PO Box 274, Shortland Street
Auckland 1140

Attention: Relationship Manager Corporate Client Services
Phone: 09 909 5100
Email: ct-auckland@nzgt.co.nz

COMPLAINTS

If you have any problems with your membership in the Scheme, please contact the Head of Compliance for the Manager, using the Manager's contact details in the first instance and if the Manager cannot resolve your problem, then please contact the Supervisor.

Both we and the Supervisor are required to be members of an approved dispute resolution scheme, which for both of us is Financial Services Complaints Limited (FSCL).

If you have a problem that neither the Manager nor the Supervisor can resolve, you can contact FSCL.

Financial Services Complaints Limited

PO Box 5697
Lambton Quay
Wellington, 6145

Level 4, 101 Lambton Quay
Wellington 6011

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

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



CRAIGS[®]

INVESTMENT PARTNERS

HEAD OFFICE - TAURANGA

Craigs Investment Partners House
158 Cameron Road
PO Box 13155, Tauranga 3141
E. headoffice@craigsip.com

KERIKERI

Hobson House
14 Hobson Avenue
PO Box 841, Kerikeri 0245
P. 09 407 7926 F. 09 407 7429
E. kerikeri@craigsip.com

WHANGAREI

1 Robert Street
PO Box 573, Whangarei 0140
P. 09 438 1988 F. 09 438 5167
E. whangarei@craigsip.com

AUCKLAND

Level 32, Vero Centre
48 Shortland Street
PO Box 1196, Auckland 1140
P. 09 919 7400 F. 09 303 2520
E. auckland@craigsip.com

HAMILTON

Level 4, PwC Centre
Cnr Anglesea & Ward Streets
PO Box 1282, Hamilton 3240
P. 07 838 1818 F. 07 838 0828
E. hamilton@craigsip.com

TAURANGA

Craigs Investment Partners House
158 Cameron Road
PO Box 13155, Tauranga 3141
P. 07 577 6049 F. 07 578 8416
E. tauranga@craigsip.com

ROTORUA

First Floor
1196 Whakauae Street
PO Box 1148, Rotorua 3040
P. 07 348 1860 F. 07 348 1863
E. rotorua@craigsip.com

GISBORNE

75 Childers Road
PO Box 153, Gisborne 4040
P. 06 868 1155 F. 06 868 1154
E. gisborne@craigsip.com

NEW PLYMOUTH

First Floor, 9 Young Street
PO Box 8011, New Plymouth 4340
P. 06 759 0015 F. 06 759 0016
E. newplymouth@craigsip.com

WHANGANUI

17 Drews Avenue
PO Box 63, Whanganui 4541
P. 06 349 0030 F. 06 348 5523
E. whanganui@craigsip.com

PALMERSTON NORTH

First Floor
Cnr Broadway Avenue & Vivian Street
PO Box 1543, Palmerston North 4440
P. 06 953 3460 F. 06 953 0640
E. palmerstonnorth@craigsip.com

WELLINGTON

Level 4, 20 Customhouse Quay
PO Box 10556, Wellington 6143
P. 04 917 4330 F. 04 917 4350
E. wellington@craigsip.com

BLenheim

2 Alfred Street
PO Box 678, Blenheim 7240
P. 03 577 7410 F. 03 577 7440
E. blenheim@craigsip.com

CHRISTCHURCH

Level 3
Craigs Investment Partners House
76 Victoria Street
PO Box 90, Christchurch 8140
P. 03 379 3433 F. 03 379 5687
E. christchurch@craigsip.com

QUEENSTOWN

Level 1, Five Mile Centre
Grant Road, Frankton
PO Box 2487, Wakatipu
Queenstown 9349
P. 03 901 0170 F. 03 901 0179
E. queenstown@craigsip.com

DUNEDIN

Level 4, 229 Moray Place
PO Box 5545, Dunedin 9058
P. 03 477 5900 F. 03 477 6743
E. dunedin@craigsip.com

GORE

120 Main Street
PO Box 317, Gore 9740
P. 03 208 9310 F. 03 208 4161
E. gore@craigsip.com

INVERCARGILL

Level 2, 20 Don Street
PO Box 1246, Invercargill 9840
P. 03 214 9939 F. 03 214 9933
E. invercargill@craigsip.com

0800 272 442 / craigsip.com