



**CRAIGS**<sup>®</sup>  
INVESTMENT PARTNERS

# superSTART<sup>®</sup> Annual Report

For the Year Ended 31 March 2016

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# Annual Report to Members

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## FOR THE YEAR ENDED 31 MARCH 2016

As Trustee of the **Craigs Investment Partners Superannuation Scheme**, The New Zealand Guardian Trust Company Limited presents to members the annual report for the year ended 31 March 2016.

Your contributions are invested in the Craigs Investment Partners Superannuation Scheme (the Scheme), a registered Superannuation Scheme.

The most recent prospectus of the Scheme dated 18 September 2015 was registered with the Companies Office of the Ministry of Business Innovation and Employment (formerly the Ministry of Economic Development) on 21 September 2015. The prospectus is available for public inspection (including at **[business.govt.nz/companies](http://business.govt.nz/companies)**).

The Trust Deed governing the Scheme is dated 21 September 2012 and the most recent amendment is dated 5 October 2012.

# Key Information

## Investment Performance

Under the Scheme you can invest in a range of Nominated Securities. The Nominated Securities include the QuayStreet Funds and a range of investments in equities, investment trusts, managed funds, index funds and listed property trusts together with cash. The investment returns for the Funds are set out below.

For the year ended 31 March 2016 the Scheme returned 3.16% calculated on an aggregated basis. The investment performance of each member's investment portfolio will depend upon the investments selected by that member.

For the returns on the other Nominated Securities please see [craigsip.com/services/superSTART](http://craigsip.com/services/superSTART)

## QuayStreet Funds:

Fund	Annual return for the year ended 31 March 2016	Annualised return at 31 March 2016 since inception
QuayStreet Fixed Interest Fund	5.39%	5.29%
QuayStreet Income Fund	5.11%	5.59%
QuayStreet Conservative Fund	5.38%	4.68%
QuayStreet Balanced Fund	5.14%	5.08%
QuayStreet Balanced SRI Fund	2.25%	5.03%
QuayStreet Growth Fund	4.74%	5.27%
QuayStreet NZ Equity Fund	15.05%	13.79%
QuayStreet Australian Equity Fund	(6.49)%	2.52%
QuayStreet International Equity Fund	4.08%	6.65%
QuayStreet Altum Fund	11.86%	10.57%

The returns are calculated after fees but before tax.

Returns are calculated for each fund on a monthly basis. The quoted annual rate of return is the result of compounding each months return for the period.

The returns are calculated with reference to the date and amounts of member investments over the course of the year.

Past performance is not indicative of future performance.

The returns above are not the returns that individual investors will receive as this will depend on the investment timing and decisions made by each investor.

# Summary Financial Statements

The summary financial statements are prepared in accordance with FRS 43 Summary Financial Statements. The full financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP), as applicable for profit-oriented entities. The Scheme has made an explicit and unreserved statement of compliance with International Financial Reporting Standards (IFRS) in its full financial statements.

This summary is extracted from the full financial statements authorised for issue by the Trustee on 30 June 2016, for which an unmodified audit opinion has been given. This summary has also been examined by KPMG and a copy of their summary unmodified audit opinion is included in this report.

The summary financial statements are presented in New Zealand dollars and rounded to the nearest dollar. The summary financial statements cannot be expected to provide as complete an understanding as provided by the full financial statements including the statement of changes in net assets, statement of net assets and statement of cash flows of the Scheme.

The full financial statements comply with the Financial Reporting Act 1993 and were registered with the Companies Office on 15 July 2016.

You can obtain a copy of the full financial statements free of charge from Craigs Investment Partners Limited, PO Box 13155 Tauranga 3141.

Statement of changes in net assets for the year ended 31 March	\$	\$
	2016	2015
Dividend and/or distribution income	3,499,296	2,120,312
Interest income	355,027	235,003
Net foreign exchange gain/(loss) (excl. investment assets)	1,127,350	1,323,816
Net changes in fair value of investment assets	3,025,952	14,428,670
<b>Net investment income/(loss)</b>	<b>8,007,625</b>	<b>18,107,801</b>
Brokerage fees	952,864	1,037,697
Custodial service fees/Management fee	1,411,805	1,025,204
Audit fee - audit of financial statements	8,500	7,475
- other assurance services	3,571	3,571
Other expenses	67,422	31,261
<b>Total expenses</b>	<b>2,444,162</b>	<b>2,105,208</b>
<b>Net profit/(loss) before membership activities</b>	<b>5,563,463</b>	<b>16,002,593</b>
Taxation expense	1,337,994	677,012
<b>Net profit/(loss) before membership activities after tax</b>	<b>4,225,469</b>	<b>15,325,581</b>
<b>Membership activities</b>		
Member contributions from Members	63,891,243	75,800,020
Payments to Members	10,666,065	11,783,406
<b>Net membership activities</b>	<b>53,225,178</b>	<b>64,016,614</b>
<b>Benefits accrued to members' accounts</b>	<b>57,450,647</b>	<b>79,342,195</b>
<b>Members' funds at beginning of the year</b>	<b>188,453,017</b>	<b>109,110,822</b>
<b>Members' funds at end of the year</b>	<b>245,903,664</b>	<b>188,453,017</b>

Statement of net assets as at 31 March	\$	\$
	2016	2015
Total assets	247,034,715	188,771,377
Total liabilities	1,131,051	318,360
<b>Net assets attributable to members</b>	<b>245,903,664</b>	<b>188,453,017</b>
Members' funds	245,903,664	188,453,017

  

Statement of cash flows for the year ended 31 March	\$	\$
	2016	2015
Net cash flows from operating activities	(47,429,855)	(61,620,210)
Net cash flows from financing activities	53,225,178	64,012,970
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>5,795,323</b>	<b>2,392,760</b>
Cash and cash equivalents at beginning of the year	35,701,248	31,984,672
Effect of exchange rate fluctuations on cash held	1,127,350	1,323,816
<b>Cash and cash equivalents at end of the year</b>	<b>42,623,921</b>	<b>35,701,248</b>

**Note 1:** This summary is an abridged version of the annual audited financial statements.

**Note 2:** Craigs Investment Partners Limited, the parent company of the manager, received fees of \$697,868 (2015:\$420,871) via the QuayStreet Funds from members of this scheme. Fees are deducted by the cancellation of investment units in the underlying Funds. These fees are reflected in the net changes in fair value of investment assets in the Summary Statement of Changes in Net Assets.

**Note 3:** A copy of the following documents relating to the Scheme can be obtained, on request and free of charge, by contacting 0800 878 278 or emailing [superstart@craigsip.com](mailto:superstart@craigsip.com):

- The most recent financial statements;
- The Auditors report;
- An updated member's statement (showing an estimate of your benefit); and
- The most recent registered prospectus.

The most recent prospectus, the financial statements and other documents of, or relating to the Scheme are filed on a public register at the Companies Office of the Ministry of Business Innovation and Employment. The documents are available for public inspection (including at [business.govt.nz/companies](http://business.govt.nz/companies)).

# Independent Auditor's Report on the Summary Financial Statements



## To the members of Craigs Investment Partners Superannuation Scheme

The accompanying summary financial statements on pages 3 to 4, which comprise the summary statement of net assets as at 31 March 2016 and 31 March 2015, and the summary statements of changes in net assets and cash flows for the years then ended, and related notes, are extracted from the audited financial statements of Craigs Investment Partners Superannuation Scheme ("the superannuation scheme") for the years ended 31 March 2016 and 31 March 2015. We expressed an unmodified audit opinion on those financial statements in our report dated 30 June 2016. Those financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

The summary financial statements do not contain all the disclosures required for full financial statements under generally accepted accounting practice in New Zealand. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of Craigs Investment Partners Superannuation Scheme.

This report is made solely to the members as a body. Our audit work has been undertaken so that we might state to the superannuation scheme's members those matters we are required to state to them in the 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 superannuation scheme's members as a body, for our audit work, this report or any of the opinions we have formed.

### Trustee's responsibility for the financial statements

The trustee is responsible for the preparation of a summary of the audited financial statements, in accordance with FRS-43 Summary Financial Statements.

### Auditor's responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standards on Auditing (New Zealand) (ISA (NZ)) 810 Engagements to Report on Summary Financial Statements.

Our firm has also provided other services to the superannuation scheme in relation to trustee reporting and prospectus reporting. Subject to certain restrictions, partners and employees of our firm may also deal with the superannuation scheme on normal terms within the ordinary course of trading activities of the business of the superannuation scheme. These matters have not impaired our independence as auditor of the superannuation scheme. The firm has no other relationship with, or interest in, the superannuation scheme.

### Opinion

In our opinion, the summary financial statements have been correctly extracted from the audited financial statements of Craigs Investment Partners Superannuation Scheme for the year ended 31 March 2016, and the information reported in the summary financial statements is consistent, in all material respects, with the audited financial statements, in accordance with FRS-43 Summary Financial Statements.

A handwritten signature of the KPMG firm, written in black ink.

KPMG  
28 July 2016

# Trustee's Report

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## guardian trust

In accordance with the reporting provisions of the Superannuation Schemes Act 1989, **The New Zealand Guardian Trust Company Limited** ("the Trustee") of **Craigs Investment Partners Superannuation Scheme** ("the Scheme"), declares the following with respect to the Scheme for the year ended 31 March 2016.

The Trustee certifies that:

- All contributions required to be made to the Scheme in accordance with the terms of the Trust Deed have been made.
- All benefits required to be paid from the Scheme in accordance with the terms of the Trust Deed have been made.
- The market value of assets of the Scheme at the close of the financial year 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 close of the financial year.

On behalf of The New Zealand Guardian Trust Company Limited.



Director  
28 July 2016



# Statement of Numerical Changes in Membership

The membership movements for the year ended 31 March 2016:

	Number
<b>Members at 31 March 2015</b>	<b>1,381</b>
New members	301
<b>Withdrawals</b>	
Retirements	48
Transfers	10
Death	3
Redundancy	-
Resignation	12
<b>Total Withdrawals</b>	<b>73</b>
<b>Members at 31 March 2016</b>	<b>1,609</b>

Other information	Number	\$
Member contributions from Members	627	63,891,243
Member accumulations at the end of the period	1,609	245,903,664
Fees charged directly by the manager		2,444,162
Manager fees charged indirectly in Funds		656,800
Trustee fees charged indirectly in Funds		41,068
<b>Total fees charged in the period*</b>		<b>3,142,030</b>

\* Includes member administration fees, management and trustee fees for the Scheme

## Changes Relating to the Scheme

There were no changes to the trust deed during the period of this annual report.

Members who are transitional residents for tax purposes, or who migrate to New Zealand may be entitled to relief from taxation when transferring foreign superannuation entitlements to the Scheme during their 4 year transitional resident exemption period or within 4 years of them becoming a New Zealand tax resident.

Members seeking to transfer foreign superannuation entitlements to the Scheme should seek professional taxation advice as to the impact of these rules.

For further information please review the Fund Policy changes on our website at [craigsip.com](http://craigsip.com).

Please see the Directory for changes to the Trustee, Manager and Promoter.

# Directory

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## Manager, Administration Manager and Investment Manager

### **Craigs Investment Partners Superannuation Management Limited**

158 Cameron Road  
PO Box 13155  
Tauranga 3141  
NEW ZEALAND

The current directors of the Manager are:

- Frank M Aldridge
- Kenneth C Phillip
- Michael J Smith (Chairman)
- Kylie J Van Heerden

Barrie M Owen resigned on 10 June 2015.  
Kylie J Van Heerden was appointed on 30 September 2015.

## Trustee

### **The New Zealand Guardian Trust Company Limited**

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

The current directors of the Trustee are:

- James Earl Douglas
- Robin Albert Flannagan
- Timothy James Shaw

Andrew Howard Barnes resigned on 4 April 2016  
Christopher Robert Darlow resigned on 20 August 2015

The Trustee's ultimate holding company is Bath Street Capital Limited, a company incorporated in New Zealand.

The directors of the Trustee may change from time to time. A current list of directors is available online at [business.govt.nz/companies](http://business.govt.nz/companies).

## Registrar

### **Craigs Investment Partners Superannuation Management Limited**

PO Box 13155  
Tauranga 3141  
NEW ZEALAND

## Custodian

Citibank N.A. is the custodian for the Scheme.

The Custodian can be contacted at:

Citibank, N.A.  
Citi Centre  
PO Box 3429  
Level 11, 23 Customs Street East  
Auckland, 1010

## Promoter

The Promoter of the Scheme is Craigs Investment Partners Limited and each of its directors. The directors as at 31 March 2016 were:

- Frank Maurice Aldridge
- Michael John Caird
- John Peter Cincotta
- Neil John Craig
- Thomas Peter Davies
- Vic John Jokovic
- John Thomas Macfarlane
- Patrick William O'Rourke
- Michael Hugh Richardson
- Nigel Kingsley Scott
- Brett Hiirini Shepherd
- William Turnbull Stevens

James Malcolm McMurdo resigned on 3 March 2016.  
John Peter Cincotta was appointed on 3 March 2016.

Thomas Peter Davies resigned on 5 May 2016.  
Deidre Gail Copley was appointed on 5 May 2016.

The Promoters can be contacted at the office of Craigs Investment Partners Limited:

### **Craigs Investment Partners Limited**

158 Cameron Road  
PO Box 13155  
158 Cameron Road  
TAURANGA 3141

The directors of the Promoter may change from time to time. A current list of directors is available online at [business.govt.nz/companies](http://business.govt.nz/companies)

Participating employers may also be Promoters of the Scheme.

## Auditor

### **KPMG**

Level 2  
247 Cameron Road  
TAURANGA 3110

## Solicitors

### **Bell Gully**

Level 21, Vero Centre  
48 Shortland Street  
PO Box 4199  
AUCKLAND 1140

## Correspondence, Inquiries and Complaints

1. For administrative matters, to obtain a copy of the most recent financial statements, auditor's report or a copy of the most recent registered prospectus and queries relating to your benefit entitlements or the Scheme:

**START® Administration Manager**  
Craigs Investment Partners  
Superannuation Management Limited  
158 Cameron Road  
PO Box 13155  
Tauranga 3141

**Freephone:** 0800 878 278  
**Fax:** 07 578 3463  
**Email:** [superstart@craigsip.com](mailto:superstart@craigsip.com)

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

**The Relationship Manager**  
Corporate Trusts  
The New Zealand Guardian Trust Company Limited  
Level 6, 191 Queen Street  
PO Box 274, Shortland Street  
AUCKLAND 1140

**Telephone:** 09 909 5100

3. If you have any problems with your membership in the Scheme, please contact the Manager in the first instance and if they cannot resolve your problem, then please contact the Trustee.
4. Both the Trustee and the Manager are required to be members of an approved dispute resolution scheme which, for both of us, is Financial Services Complaints Limited.

If you have a problem or complaint that neither we nor the Manager can resolve, you can contact:

**Financial Services Complaints Limited**  
PO Box 5967, Lambton Quay  
4th Floor, 101 Lambton Quay  
Wellington 6145

**Telephone:** 0800 347 257

For more information about your investment and other Craigs Investment Partners products and services, contact your adviser or contact Craigs Investment Partners Limited on 0800 272 442 / [craigsip.com](http://craigsip.com)



# CRAIGS<sup>®</sup>

INVESTMENT PARTNERS

## HEAD OFFICE - TAURANGA

Craigs Investment Partners House  
158 Cameron Road  
PO Box 13155, Tauranga 3141  
E. [headoffice@craigsip.com](mailto:headoffice@craigsip.com)

## KERIKERI

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14 Hobson Avenue  
PO Box 841, Kerikeri 0245  
P. 09 407 7926 F. 09 407 7429  
E. [kerikeri@craigsip.com](mailto:kerikeri@craigsip.com)

## WHANGAREI

1 Robert Street  
PO Box 573, Whangarei 0140  
P. 09 438 1988 F. 09 438 5167  
E. [whangarei@craigsip.com](mailto:whangarei@craigsip.com)

## AUCKLAND

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E. [auckland@craigsip.com](mailto:auckland@craigsip.com)

## HAMILTON

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## TAURANGA

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## ROTORUA

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## GISBORNE

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## NEW PLYMOUTH

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## WHANGANUI

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## PALMERSTON NORTH

First Floor  
Cnr Broadway Avenue & Vivian Street  
PO Box 1543, Palmerston North 4440  
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## WELLINGTON

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## BLenheim

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## CHRISTCHURCH

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## DUNEDIN

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## GORE

120 Main Street  
PO Box 317, Gore 9740  
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E. [gore@craigsip.com](mailto:gore@craigsip.com)

## INVERCARGILL

49 Kelvin Street  
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0800 272 442 / [craigsip.com](http://craigsip.com)

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