



Medical Assurance Society KiwiSaver Plan Annual Report

For the year ended 31 March 2021

Report prepared
26 July 2021

Signatory of:



CERTIFIED BY RIAA

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At a glance

For the year ended 31 March 2021



Highlights

Member account balances are now over \$1bn

For the first time, the funds under management in the Plan exceeded \$1bn. By this measure the Plan was the largest restricted (not open to the public) KiwiSaver scheme in New Zealand as at 31 March 2021.

We increased our commitment to responsible investing

We are now excluding a broader range of fossil fuel related investments. We also lowered the threshold for excluding companies that manufacture tobacco from an already low 10% of total revenue to 0%. Both changes will be effective from the 2021-22 financial year.

For further information visit mas.co.nz/investment/responsible-investments/

It's easier to check your account balance

Members can now opt-in to a new MAS text service, which sends members a text with their month-end account balance (members can join by texting INVEST to 3118). Members can also get their account balance by SMS text on demand.

We listened to you

We employed a professional survey firm to get insights from hundreds of Plan members as to what they considered to be important in a KiwiSaver scheme. The findings of this research will help ensure that the way the Plan is structured and operated remains highly aligned to the wishes of its members.

We are investing smarter to help lower costs to you

The funds in the Plan now pool their underlying investments, for example all Australasian equities. This aligns holdings and creates economies of scale across the funds that in turn increases efficiencies and offers the potential for lower costs to Plan members.

Important changes after year end

We made material changes to the governance document and terms of offer after the end of the 2021 financial year. More information about the changes is available by visiting mas.co.nz/about-mas/news/ Unless specifically stated, the information in this report applies only to the year ended 31 March 2021.

Details of Plan

As at 31 March 2021

Please read this section with reference to the 'Events after year end' described below.

Name of the Plan

The name of the Plan was the Medical Assurance Society KiwiSaver Plan ("Plan").

Type of scheme

The Plan was a restricted KiwiSaver scheme.

Manager

The Trustees were the manager of the Plan. The Trustees were:

- H E Aish
- D R Dinsdale
- B C Sutton
- B G O'Donovan (Licensed Independent Trustee)

Product Disclosure Statement

The Plan's Product Disclosure Statement was dated 20 October 2020 and was open for applications.

Events after year end

On 18 June 2021:

- The Plan changed its name to the MAS KiwiSaver Scheme.
- The Manager of the Plan changed to Medical Funds Management Limited.
- A supervisor, Public Trust, was appointed to the Plan.

On 21 June 2021 the Plan became a non-restricted KiwiSaver scheme.

On 23 June 2021 a replacement Product Disclosure Statement was issued and is open for applications.

Further information about the Plan

Fund Updates

A Fund Update for each of the funds in the Plan as at 30 June 2021 can be found at mas.co.nz/kiwisaver-documents and on the offer register at disclose-register.companiesoffice.govt.nz

Financial Statements and Auditor's report

The latest financial statements for the Plan are for the year ended 31 March 2021. They have been prepared by the Manager in accordance with generally accepted accounting practice in New Zealand and the Financial Markets Conduct Act 2013 (FMCA). The latest financial statements, and the auditor's report on those financial statements, dated 30 June 2021, were lodged with the Registrar on 14 July 2021. They can be found on the scheme register at disclose-register.companiesoffice.govt.nz

Information on contributions and Plan participants

The table below provides a breakdown of how the Plan membership changed during the year.

	1 April 2020	31 March 2021
Members	15,117	14,859
Number of contributing members	10,845	10,794
Number of non-contributing members	4,080	4,065
Number of members who became Plan participants over the year		367
Transfers from other plans		145
New members		222
Number of members who ceased to be Plan participants over the year		621
Retirement		78
Death		14
Transfer to other plans		510
Other reasons		19
	1 April 2020	31 March 2021
Plan members' accumulations	\$769,028,366	\$1,015,413,613
Plan member numbers	15,117	14,859

Information on contributions and Plan participants

The following contributions were received in respect of members of the Plan over the year:

Contribution Source	Amount (\$)	Number of Members
Member	70,389,517	15,084
Employer	27,888,016	9,641
Crown	5,379,464	11,086
Voluntary contributions	5,015,714	2,864
Transfers from KiwiSaver plans	3,659,799	142
Transfers from Superannuation plans	416,057	3
Transfers from Australian Superannuation plans	1,239,826	27

Changes relating to the Plan

Changes to the governing document

There were no changes to the Plan's Trust Deed, our governing document, during the year ended 31 March 2021.

The trust deed was however changed on 18 June 2021, primarily to reflect a change in the name of the Plan, a change in the manager of the Plan and the introduction of a supervisor.

Changes to the terms of offer of the Plan

From 1 April 2020, members can apply to make an early withdrawal (before the age of 65) if they have a life-shortening congenital illness. Members who make such a withdrawal will no longer qualify for Government Contributions or compulsory employer contributions.

The Plan's Product Disclosure Statement was updated on 23 June 2021 primarily to incorporate the changes to the trust deed referred to above and changes to target asset mixes and reductions in fees for the Conservative, Moderate, and Balanced Funds.

Changes to the Plan's Statement of Investment Policy and Objectives (SIPO)

There were no material changes to the Plan's SIPO during the year ended 31 March 2021.

The Plan's SIPO was however changed on 23 June 2021, primarily to reflect a change in target asset mix for some funds, being an increase in the growth asset allocation by 5% for the Moderate, Balanced, Growth and Aggressive Funds.

Changes to the nature or scale of related party transactions

Other than introducing the investment by the Funds in the Plan into the MAS Wholesale Investment Funds (Wholesale Funds), there was no change to the nature or scale of related party transactions during the year. The Wholesale Funds are managed by Medical Funds Management Limited. The Wholesale Funds allow the underlying investments in the Plan to be pooled together, for example all Australasian equities. This allows the proportion and types of holdings to be aligned across the Plan's funds and creates economies of scale that in turn increases efficiencies and potentially lowers costs.

No related party transactions were entered into during the year that were not on arm's length terms.

Other information for particular types of managed funds

Withdrawals

The following number of members of the Plan made a withdrawal permitted under the FMCA and the Trust Deed during the period 1 April 2020 to 31 March 2021:

Withdrawal type	Number of members
First home withdrawal	246
Financial hardship	14
Serious illness	7
Invalid enrolments	6
Permanent emigration	8
Withdrawal on death	14
Retirement withdrawal	157
Withdrawals under other enactments	3

Investment Performance

Fund	Unit prices at 31 March 2020	Unit prices at 31 March 2021	Unit price Return*
Cash	1.2164	1.2265	0.83%
Conservative	1.3853	1.5329	10.65%
Moderate	1.4725	1.7144	16.43%
Balanced	1.5717	1.9295	22.77%
Growth	1.6533	2.1406	29.47%
Aggressive	1.7279	2.2995	33.08%
Global Equities	1.7698	2.4496	38.41%

*Returns are before tax and after fees. Returns indicated may bear no relation to future performance.

The value of investments will fluctuate as the values of underlying assets rise or fall. Returns and unit prices are available at mas.co.nz/investments/kiwisaver

Manager's statement

Medical Funds Management Limited, as manager of the Scheme, confirms that:

- All benefits required to be paid from the Plan in accordance with the terms of the Trust Deed and the KiwiSaver scheme rules have been paid.
- The market value of Plan assets at the close of the financial year equalled the total value of benefits that would have been payable had all members of the Plan 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 Plan

There were no changes to any of the parties involved in the Plan during the year ended 31 March 2021.

On 18 June 2021:

- The Manager of the Plan changed to Medical Funds Management Limited.
- A supervisor, Public Trust, was appointed to the Plan.

How to find further information

Further information about the Plan is publicly available free of charge on the Disclose “Offer” and “Scheme” registers:

Offer register

- Product Disclosure Statement and related Other Material Information
- Fund updates

See disclose-register.companiesoffice.govt.nz

Scheme register

- Statement of Investment Policy and Objectives (SIPO)
- Trust Deed
- Financial statements
- Annual reports

See disclose-register.companiesoffice.govt.nz

On request from the Manager

You can also obtain a copy of the information on the Disclose scheme register or offer register, free of charge, by contacting us as indicated overleaf.

Contact details and complaints

Manager

Attn: Head of Investments
Medical Funds Management Limited
19–21 Broderick Road
Johnsonville Wellington 6037
PO Box 13042 Johnsonville 6440

Phone: 0800 800 627
Email: info@mas.co.nz

Supervisor

Attn: General Manager, Corporate Trustee Services
Level 8, Public Trust Building
22-28 Willeston Street, Wellington 6011
Private Bag 5902, Wellington 6140

Phone: 0800 371 471
Email: CTS.Enquiry@PublicTrust.co.nz

Securities Registrar

Link Market Services Limited
Level 30
PwC Tower
15 Customs Street West
Auckland 1010

Phone: 0800 627 738
Email: masinvest@linkmarketservices.com

If you have a complaint

Complaints may be made to the Manager or Supervisor at the same address shown on the left.

If you have followed the Manager's or Supervisor's internal complaints procedure and you are dissatisfied with the outcome, you can get free independent assistance from the Dispute Resolution Scheme to which the Manager belongs:

Insurance & Financial Services Ombudsman Scheme

Level 2, Solnet House
70 The Terrace
Wellington 6143
PO Box 10845 Wellington 6143

Phone: 0800 888 202
Email: info@ifso.nz

You won't be charged a fee for any investigation into or resolution of a complaint by the Insurance & Financial Services Ombudsman.

Helping you be well informed

The MAS investor portal allows you to check your balance, transaction history and fund settings. To access the portal, go to masinvest.co.nz

For questions relating to the investor portal, please call our administrator, Link Market Services, on **0800 627 738** or email masinvest@linkmarketservices.com

Further information on the Plan can be found at mas.co.nz/investment/kiwisaver

The RIAA Certification Symbol signifies that a product or service offers an investment style that takes into account certain environmental, social, governance or ethical considerations. The Symbol also signifies that the Medical Assurance Society KiwiSaver Plan adheres to the strict operational and disclosure practices required under the Responsible Investment Certification Program for the category of Superfund Option. The Certification Symbol is a Registered Trade Mark of the Responsible Investment Association Australasia (RIAA). Detailed information about RIAA, the Symbol and the Medical Assurance Society KiwiSaver Plan's methodology and performance can be found at www.responsiblereturns.com.au, together with details about other responsible investment products certified by RIAA¹.

¹The Responsible Investment Certification Program does not constitute financial product advice. Neither the Certification Symbol nor RIAA recommends to any person that any financial product is a suitable investment or that returns are guaranteed. Appropriate professional advice should be sought prior to making an investment decision. RIAA does not hold an Australian Financial Services Licence.



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