



Medical Assurance Society Retirement Savings Plan Annual Report

For the year ended 31 March 2021

Report prepared
26 July 2021

Signatory of:



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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.

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 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 Retirement Savings Plan ("Plan").

Type of scheme

The Plan was a restricted workplace savings scheme. It had two sections: an Individual Member Section for those who joined before 19 September 2016; and a Workplace Savings Section for those who joined from this date.

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 Retirement Savings Scheme.
- The type of scheme changed to offer two open sections: a workplace savings scheme with certain eligibility criteria and a superannuation 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 workplace savings scheme and superannuation 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/retirement-savings-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	7,168	7,054
Number of contributing members	4,847	4,738
Number of non-contributing members	2,321	2,316
Number of members who became Plan participants over the year		344
Transfers from other plans		0
New members		344
Number of members who ceased to be Plan participants over the year		458
Retirement		64
Death		8
Transfer to other plans		215
Other reasons		171
	1 April 2020	31 March 2021
Plan members' accumulations	\$838,343,384	\$1,066,810,886
Plan member numbers	7,168	7,054

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	69,559,086	3,932
Employer	18,548,348	3,923
Member voluntary contributions	1,128,396	998

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 the change in the name of the Plan, the manager of the Plan, the introduction of a supervisor and to introduce a new superannuation scheme section.

Changes to the terms of offer of the Plan

There have been no material changes to the Plan's Product Disclosure Statement, outlining the terms of the offer of the Plan, during the year.

The Plan's Product Disclosure Statement was however updated on 23 June 2021 primarily to incorporate the changes to the trust deed above and changes to target asset mixes and reduction 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, primarily 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
Financial hardship	3
Serious illness	1
Permanent emigration	67
Withdrawal on death	8
Retirement withdrawal	223
Transfers	357
Court order	6
Below minimum account balance	97

Investment Performance

Fund:	Unit prices at 31 March 2020	Unit prices at 31 March 2021	Unit price Return*
Cash	1.2106	1.2212	0.88%
Conservative	1.3782	1.5257	10.70%
Moderate	1.4776	1.7222	16.55%
Balanced	1.5525	1.9068	22.82%
Growth	1.6736	2.1725	29.81%
Aggressive	1.7115	2.2798	33.20%
Global Equities	1.7613	2.4409	38.59%

*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/retirement-savings-scheme](https://www.mas.co.nz/investments/retirement-savings-scheme)

Other information for particular types of managed funds

Supervisor's statement

- All contributions required to be made to the Plan in accordance with the terms of the Trust Deed have been made.

Manager's statement

Medical Funds Management Limited, as a 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 superannuation 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

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/retirement-savings

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 Retirement Savings 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 Retirement Savings 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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