



Medical Assurance Society Retirement Savings Plan Annual Report

For the year ended
31 March 2019



Signatory of:



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At a glance

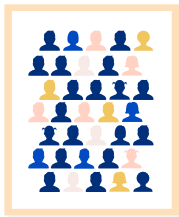
For the year ended 31 March 2019



Funds Under Management

\$804,093,422

UP 11.8%
from last year



Number of current members

7,002

UP 6.2%
from last year



Average member balance

\$114,832

UP from \$109,012
last year



7.32%

Growth Fund return

UP from 7.16%
last year



Contributions

\$71,458,787

UP 2.1%
from last year



Highlights

New investment strategy

We changed the investment strategy of many Funds to improve potential long-term returns.

(refer page 8 for further details)

Responsible investing

We deepened our commitment to responsible investing by introducing consideration of environmental, social and governance (ESG) factors to our investment strategy.

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

We've made it even easier to join the Plan

You can now join the Plan on-line in only a few minutes by visiting mas.co.nz/investment/retirement-savings

Investor News email

We introduced a quarterly Investor News email to keep you informed and help you make the most of your Retirement Savings Plan.

Details of Plan

Name of the Plan

Medical Assurance Society Retirement Savings Plan (“Plan”).

Type of scheme

The Plan is a restricted workplace savings scheme. It has 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 are the manager of the Plan.
The Trustees are:

- H E Aish, D R Dinsdale
- A C Hercus, B C Sutton
- B G O’Donovan (Licensed Independent Trustee)

Product Disclosure Statement

The latest Medical Assurance Society Retirement Savings Plan product disclosure statement is dated 30 November 2018 and is open for applications.

Fund Updates

A Fund Update for each of the funds in the Plan as at 31 March 2019 can be found at mas.co.nz/resources/investment-resources/retirement-savings-plan-investment-reports/ and on the offer register at business.govt.nz/disclose.

Financial Statements and Auditor’s report

The latest financial statements for the Plan are for the year ended 31 March 2019. They have been prepared by the Trustees 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 26 June 2019, were lodged with the Registrar on 11 July 2019. They can be found on the offer register at business.govt.nz/disclose.

Information on contributions and Plan participants

The following table sets out the numerical changes in membership for the Retirement Savings Plan during the year ended 31 March 2019.

	1 April 2018	31 March 2019
Members	6,595	7,002
Number of contributing Members	4,675	4,899
Number of non-contributing Members	1,920	2,103
Number of members who became Plan participants over the year		579
Transfers from other plans		0
New Members		579
Number of members who ceased to be Plan participants over the year		172
Retirement		50
Death		13
Transfer to other plans		21
Other reasons		88
	1 April 2018	31 March 2019
Plan members' accumulations	\$718,932,853	\$804,093,422
Plan participant numbers	6,595	7,002

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	51,658,946	4,279
Employer	17,447,489	4,275
Member voluntary contributions	2,352,352	883

Changes relating to the Plan

Changes to the governing document

There have been no material changes to the Plan's Trust Deed, our governing document, during the year.

The Plan Trust Deed is available on the Disclose Register at business.govt.nz/disclose

Changes to the terms of offer of the Plan

On 30 November 2018 an updated Product Disclosure Statement (PDS) and Other Material Information document were issued to include:

- The material changes to the SIPO as outlined in the adjacent column.
- The investment options being referred to as Funds rather than Portfolios.
- The name of the Defensive option being changed to Conservative and the name of the Conservative option being changed to Moderate.
- An increase in Trustee fees from \$9,500 p.a. to \$15,000 p.a.

The PDS is available at mas.co.nz/investment/retirement-savings/

The Other Material Information documents are on the Disclose Register at business.govt.nz/disclose

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

On 30 November 2018 the Plan's SIPO was changed, with the material changes being:

- The investment options being referred to as Funds rather than Portfolios.
- The name of the Defensive option being changed to Conservative and the name of the Conservative option being changed to Moderate.
- For the Conservative Fund, Moderate Fund, Balanced Fund and Growth Fund: increase the target mix of Growth assets by 5% (reduce the target mix of Income assets by 5%). This was done to improve potential long-term returns.
- Change to the benchmark index for New Zealand fixed interest and Australian equities. These changes were made to be more consistent with market convention.
- Increase in the benchmark foreign currency hedging position for international equities and alternatives from 50% to 69% in order to achieve a 50% after-tax hedge position.

The Plan SIPO is available on the Disclose Register at business.govt.nz/disclose

Changes to the nature or scale of related party transactions

There was no change to the nature or scale of related party transactions during the year.

No related party transactions were entered into during the accounting period that were not on arms-length terms.

Other information for particular types of managed funds

The following number of members of the Plan made a withdrawal permitted under the FMCA and the Trust Deed during the period 1 April 2018 to 31 March 2019:

Withdrawal type	Number of members
Financial hardship	1
Serious illness	2
Permanent emigration	65
Withdrawal on death	13
Retirement withdrawal	211
Transfers	141
Minimum balance	3

Fund:	Unit prices at 31 March 2018	Unit prices at 31 March 2019	Unit price Return*
Cash	1.1613	1.1884	2.33%
Conservative**	1.3079	1.3615	4.10%
Moderate**	1.4002	1.4711	5.06%
Balanced	1.4691	1.5572	6.00%
Growth	1.5796	1.6952	7.32%
Aggressive	1.6215	1.7436	7.53%
Global Equities	1.6733	1.8111	8.24%

* 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/resources/investment-resources/retirement-savings-plan-investment-reports/](https://www.mas.co.nz/resources/investment-resources/retirement-savings-plan-investment-reports/)

** Note: Prior to 30 November 2018 Conservative was called Defensive and Moderate was called Conservative.

Trustees' statement

- All contributions required to be made to the Plan during the financial year in accordance with the terms of the Trust Deed have been made.
- All benefits required to be paid from the Plan in accordance with the Trust Deed and superannuation plan 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 since the last annual report.

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
- Fund policies

See business.govt.nz/disclose (search the offer register)

Scheme register

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

See business.govt.nz/disclose (search the scheme register)

On request from the Trustees

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

The Trustees
Medical Assurance Society Retirement Savings Plan
19–21 Broderick Road
Johnsonville
Wellington 6037

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

Securities Registrar

Link Market Services Limited
Level 11
Deloitte Centre
80 Queen Street
Auckland 1010

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

If you have a complaint

Complaints may be made to the Trustees (as Manager) at the same address shown on the left.

If you have followed the Trustees' internal complaints procedure and you are dissatisfied with the outcome, you can get free independent assistance from the Dispute Resolution Scheme to which the Trustees belong:

Insurance & Financial Services Ombudsman Scheme

Level 8 Shamrock House
79–81 Molesworth Street
Wellington 6143

PO Box 10-845 Wellington
Phone: (04) 499 7612

You won't be charged a fee for any investigation into or resolution of a complaint.

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

<https://funds.linkmarketservices.co.nz/mas>

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 RIAA.¹

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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