



MAS KiwiSaver Scheme Annual Report

For the year ended 31 March 2022

Report prepared
29 July 2022

Signatory of:



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At a glance

For the year ended 31 March 2022



Highlights

The Scheme has transitioned from restricted to open 'retail' status

The status of the MAS KiwiSaver Scheme changed from restricted to open on 23 June 2021, following approval granted by the Financial Markets Authority.

Previously, membership of the Scheme was limited to specific occupations, whereas now it is open to all. MAS is the first manager to transition its investment schemes from restricted to open 'retail' status.

As a result, Medical Funds Management Limited (MFM), a wholly owned subsidiary of Medical Assurance Society New Zealand Limited (MAS), became the Manager of the Scheme, replacing the previous Trustees. We've also appointed an independent supervisor, Public Trust, to monitor MFM and investments in the Scheme.

For further information visit mas.co.nz/investmentchanges

Growing to deliver more

In the six months after the Scheme was opened to the public, new membership has increased over 40% compared to the prior year. This is a strong endorsement of the Scheme's purpose-led proposition that seeks to deliver healthy returns through actively investing in a responsible manner and helps fund the MAS Foundation to improve health equity in our communities.

For further information about the MAS Foundation visit mas.co.nz/mas-foundation

We lowered our management fees

As a mutual, it's important we deliver value to Members and in June 2021 we lowered the management fees for the Conservative Fund, the Moderate Fund and the Balanced Fund.

For further information visit mas.co.nz/investmentchanges

Advice when you need it most

It has been a challenging year for investors. COVID-19 has continued to have far-reaching effects on individuals, communities and businesses. As the world responded to COVID-19 in 2021, share markets were buoyant and economies started to grow. Now in 2022, we have seen the impact of inflationary pressures driving up interest rates, and the war in Ukraine all contributing to weakness and volatility in global share markets.

Members of the Scheme are able to get free personal financial advice to help them navigate this challenging period.

Details of Scheme

As at 31 March 2022

Name of the Scheme

The name of the Scheme is the MAS KiwiSaver Scheme ("Scheme").

Type of scheme

The Scheme is a KiwiSaver scheme.

Manager

Medical Funds Management Limited ("MFM" or "Manager").

Supervisor

Public Trust

Product Disclosure Statement

The Scheme's Product Disclosure Statement is dated 23 June 2021 and the Scheme is open for applications.

Fund Updates

A Fund Update for each of the funds in the Scheme as at 30 June 2022 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 Scheme are for the year ended 31 March 2022. 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 29 June 2022, were lodged with the Registrar on 21 July 2022. They can be found on the scheme register at disclose-register.companiesoffice.govt.nz

Information on contributions and Scheme participants

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

	1 April 2021	31 March 2022
Members	14,859	14,914
Number of contributing members	10,794	10,656
Number of non-contributing members	4,065	4,258
Number of members who became Scheme participants over the year		611
Transfers from other schemes		325
New members		286
Number of members who ceased to be Scheme participants over the year		552
Retirement		102
Death		12
Transfer to other schemes		422
Other reasons		16
	1 April 2021	31 March 2022
Scheme members' accumulations	\$1,015,413,613	\$1,103,570,375
Scheme member numbers	14,859	14,914

Information on contributions and Scheme participants

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

Contribution Source	Amount (\$)	Number of Members
Member	79,699,114	11,477
Employer	25,413,128	9,739
Crown	5,267,758	10,884
Voluntary contributions	1,512,253	2,761
Transfers from KiwiSaver schemes	9,680,699	322
Transfers from Superannuation schemes	3,504,693	119
Transfers from Australian Superannuation schemes	3,750,574	39

Changes relating to the Scheme

Changes to the governing document

In June 2021 the Scheme had its “restricted” status removed and opened for investment to the wider public.

The Trust Deed was amended on 18 June 2021 to facilitate the change in status. The material changes made to the Trust Deed included changing the name of the Scheme, retiring the individual Trustees and appointing a manager, and introducing a Supervisor.

Changes to the terms of offer of the Scheme

The Scheme’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 Scheme’s Statement of Investment Policy and Objectives (SIPO)

The Scheme’s SIPO was updated on 23 June 2021 to reflect the changes made to the trust deed above and 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

There was no change to the nature or scale of related party transactions during the year. No related party transaction was entered into during the year that was not on arm’s length terms.

Other information for particular types of managed funds

Withdrawals

The following number of members of the Scheme made a withdrawal permitted under the FMCA and the Trust Deed during the period 1 April 2021 to 31 March 2022:

Withdrawal type	Number of members
First home withdrawal	217
Financial hardship	18
Serious illness	3
Invalid enrolments	1
Permanent emigration	15
Withdrawal on death	12
Retirement withdrawal	300
Withdrawals under other enactments	3

Investment Performance

Fund	Unit prices at 31 March 2021	Unit prices at 31 March 2022	Unit price Return*
Cash	1.2265	1.2358	0.76%
Conservative	1.5329	1.4993	-2.19%
Moderate	1.7144	1.7059	-0.50%
Balanced	1.9295	1.9567	1.41%
Growth	2.1406	2.2117	3.32%
Aggressive	2.2995	2.3987	4.31%
Global Equities	2.4496	2.5802	5.33%

*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/kiwisaver.

Manager's statement

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

- 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 Scheme assets at the close of the financial year equalled 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

There were the following changes to the parties involved in the Scheme during the year ended 31 March 2022.

On 18 June 2021:

- All of the Trustees were retired and Medical Funds Management Limited was appointed as Manager of the Scheme.
- A supervisor, Public Trust, was appointed to the Scheme.

Since Medical Funds Management Limited was appointed as Manager of the Scheme, there have been the following changes to directors:

- Stephen Merchant was appointed as a director on 26 November 2021.
- Brendan O'Donovan was appointed as a director on 1 July 2021.
- Danelle Dinsdale resigned as a director on 30 June 2021.

How to find further information

Further information about the Scheme 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, free of charge, on the Disclose Offer or Scheme registers, on our website mas.co.nz/kiwisaver, or 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 advice from the dispute resolution scheme that the Manager belongs to:

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 MAS Investor Portal, please call our administrator, Link Market Services, on **0800 627 738** or email masinvest@linkmarketservices.com

Further information on the Scheme can be found at mas.co.nz/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 MAS KiwiSaver Scheme 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 MAS KiwiSaver Scheme'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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