

MISS

MISS SCHEME ANNUAL REPORT

For the year ended 31 March 2023




MISS SCHEME

THE SCHEME OFFERS:

- An employer subsidy.
- Additional voluntary employee contributions - (not subsidised).
- Automatic death insurance up to age 69 (provided you join within your third season, or, within the season first offered membership) and subject to acceptance of a claim by the insurer.
(Insurance subject to completion of health questionnaire for those who join outside the eligibility period).
- No age restrictions to join the Scheme.
- Unlike KiwiSaver you have the ability to withdraw your benefit when you permanently cease employment in the meat industry, are made redundant or retire at 55 or over (subject to employer consent if under 60). You are also able to leave your benefit in the Scheme.
- Issued and managed by the trustees, who include representatives of the meat industry.

The MISS Scheme is an employer subsidised superannuation scheme (which is different to a KiwiSaver scheme) for the New Zealand meat industry. It has \$95.5 million (as at 31 March 2023) of total net assets available for benefits.

A group of sheep standing in a field at sunset. The sheep are in the foreground, and the background shows rolling hills and a bright, hazy sky. The lighting is warm and golden, typical of a sunset or sunrise.

For more information or for a copy of the
Product Disclosure Statement visit www.miss.org.nz

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INFORMATION

- Investment return of -3.03% (after tax and expenses)
- Return of -2.96% applied to members' accounts
- Employers contributed \$2.5M (after tax) to members' accounts
- The Trustees paid out \$12.2M in benefits
- Scheme membership of 1,817 as at 31 March 2023
- Total net assets available for benefits of \$95.5M

HISTORIC COMPARISONS

	2023	2022	2021	2020	2019
Credited return	-2.96%	0.82%	13.02%	-0.71%	5.12%
CPI	6.7%	6.9%	1.5%	2.5%	1.5%
Net assets	\$95.5M	\$104.8M	\$110.6M	\$104.2M	\$111.5M
Membership	1,817	1,925	1,992	2,059	2,141
Contributions	\$6.8M	\$6.8M	\$6.9M	\$6.8M	\$6.8M
Benefits paid	\$12.2M	\$13.1M	\$13.3M	\$13.0M	\$14.8M

ABOUT THIS REPORT

This report from the Trustees of the MISS Scheme (**Scheme**) covers the affairs of the Scheme for the year ended 31 March 2023.

Your benefits in the Scheme and a summary of the transactions through your accounts during the past year are shown in your Annual Confirmation (formerly known as your Personal Benefit Statement) which accompanies this report.

The Scheme's investments returned -3.03% (net of tax and expenses) for the year. In addition, the Trustees have agreed to use part of the Reserve Account to reduce the negative rate of return applied to members' accounts. The result is that your accounts have been updated with a return of -2.96% this year.

MESSAGE FROM THE CHAIRMAN

As Chairman of Trustees, it is my pleasure to present the MISS Scheme Annual Report for the year ended 31 March 2023.

Financial markets, a year in review

2022 was a challenging year for investors as most asset classes posted significant losses. Global economies and central banks dealt with the difficulties of a new “post-pandemic” environment leading to one dominant force driving market performance and investment returns: inflation. High inflation in 2022 had three general causes – increases in household demand for goods and supply-chain shortages due to the pandemic, the effects of Russia’s invasion of Ukraine, and a strong labour market which resulted in an increase in labour costs and the cost of services.

Energy prices rose substantially post the invasion of Ukraine, as well as oil prices, which reached \$US106 per barrel in March 2022 as Russia, a significant oil producer, was subject to sanctions by many EU countries and the USA. The conflict worsened existing supply chain issues and fuelled a global cost of living crisis.

Multi-decade high inflation, tight labour markets and soaring oil prices sustained pressures on global equity markets forcing central banks to tighten monetary policy aggressively through an unprecedented steep rate hiking cycle which caused many major bond indices to record double-digit declines, meaning fixed income failed to live up to its traditional role of providing a cushion to ride out the decline in equities. Long-term bonds experienced the worst decline in value due to their particular sensitivity to interest rate rises.

Towards the end of 2022, investor sentiment generally improved on better than expected US earnings data and a likely slowdown in policy tightening. Inflationary pressures finally showed signs of plateauing, despite US labour market growth refusing to budge.

However, towards the end of the financial year, the collapse of Silicon Valley Bank (SVB) raised concerns around the financial sector and hit bank shares hard. SVB was in hot water after they were forced to sell their long-bond investments at a loss to cover large depositor outflows, forcing US federal regulators to intervene. Government bonds rallied as a flight to safety occurred, while the wider impact on equity markets was largely restricted to the financial sector.

The balancing act of economic growth, inflation and interest rates is still at the forefront of what’s driving markets and will continue to create volatility. This highlights the importance of having a long-term strategy that can withstand short-term market movements and shows the importance of portfolio diversification.

As Trustees, we will continue to monitor investment market trends as well as the investment manager performance to recognize any particular areas which might require further attention.

Key numbers

I would like to welcome the 136 new members who joined the Scheme during the year. 244 members made withdrawals equivalent to \$12.2M in benefits, out of which 77 members made retirement withdrawals. During the Scheme year, the net assets for the Scheme decreased by \$9.2M and at 31 March 2023, totalled \$95.5M.

Questions about the Scheme

You can find answers to some of the most commonly asked questions relating to Scheme benefits, insurance, contributions and KiwiSaver on pages 11-15 of this annual report. We encourage you to refer to this section or visit our website www.miss.org.nz/faqs if you have any questions about the Scheme, or you can contact the Scheme administrator at MISS@mercero.com or call **(04) 819 2600**.

Thank you

On behalf of our members, I would like to thank the Scheme’s sponsors, the Meat Industry Association and the New Zealand Meat Workers and Related Trades Union, for their constant support throughout the year. I would also like to acknowledge my fellow Trustees, as well as the Scheme’s advisors and administrators for their never-ending commitment towards working for the benefit of the Scheme and its members.

In July 2022, Jenna Stevenson joined us as a Deputy Trustee (she will fill in for a Union Trustee at a meeting when that Union Trustee cannot attend). Jenna was appointed by the New Zealand Meat Workers and Related Trades Union.

As always, I appreciate the members’ contributions and engagement towards the Scheme. I wish you all the very best for the year ahead, I am hopeful that the Scheme will continue to grow and help members have a financially secure retirement.



Brian Mason
**Chairman of Trustees
MISS Scheme**

INVESTMENT MATTERS

INVESTMENT RETURN

Each year, once the Scheme's financial statements have been audited and the tax calculations completed, the Trustees declare a rate of return to be applied to your accounts in the Scheme. The same rate applies to all members and to all their accounts. The rate of return depends on the investment return on the Scheme's assets, less taxes and certain expenses – this year -3.03%.

Each year the Trustees consider the appropriate level of the Reserve Account. For the year ended 31 March 2023, the Trustees agreed that the Reserve Account should be maintained at 0.5% of the total net assets, in line with the Trustees' policy.

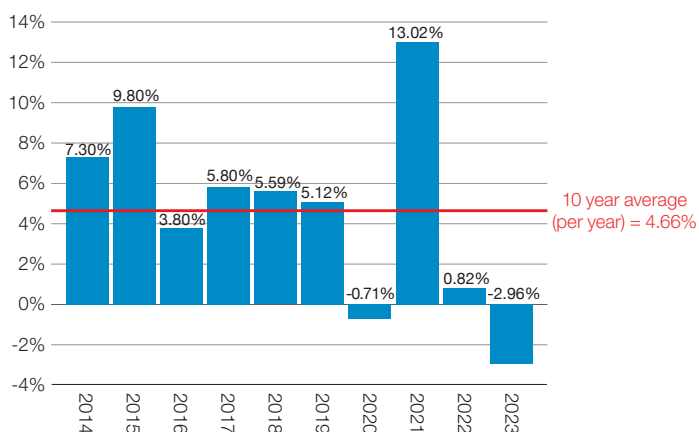
This year, the Trustees have allocated \$68,187 from the Reserve Account to reduce the negative rate of return applied to members' accounts.

The Reserve Account builds up each year when members leave the Scheme and are not entitled to the full balances in their Employer Subsidy Accounts.

This year, your accounts have been updated with an investment return of -2.96%. The interim rates applied during the year are shown on page 7.

The following chart shows the investment returns credited to members' account balances for the past decade. Although the Scheme has had its annual ups and downs, reflecting the conditions of the markets in which assets are invested, it has paid members an average return of 4.66% p.a. (after tax and expenses) over the last 10 years.

Crediting interest rate for each year



If you leave the Scheme during the year, an interim interest rate will be applied to your accounts. The interim rates applied during the year are shown on page 7.

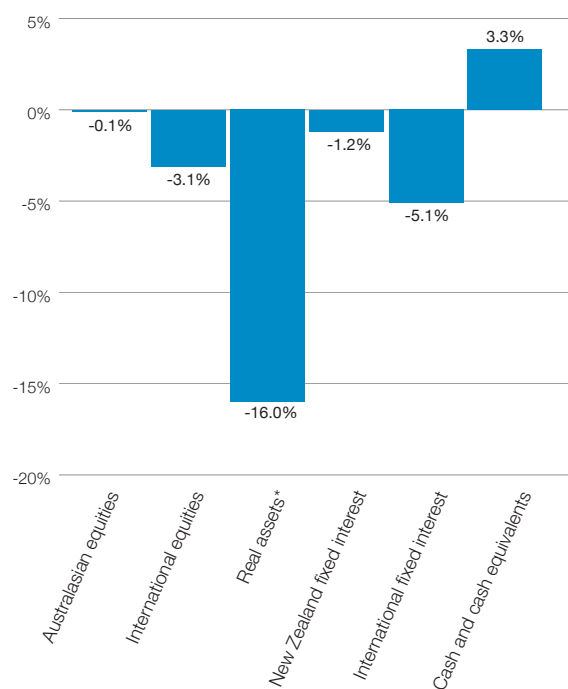
THE SCHEME'S INVESTMENT MANAGERS

The Scheme's assets are currently invested in a mix of equities, real assets (property and infrastructure), fixed interest, and cash and cash equivalents. The Trustees have adopted a sector specialisation approach, which involves identifying and selecting separate managers for each asset class.

These managers are chosen because of their expertise in that asset class and are therefore expected to add value in each individual asset sector. The Scheme's investment managers as at 31 March 2023 are shown in the investments table shown on page 4.

The Scheme's assets earned -2.86% before tax for the year ended 31 March 2023. The contribution towards this return from each asset sector is shown in the graph below. The percentages are before the deduction of tax, investment management fees and expenses.

Contribution to gross return by asset sector



*Includes listed property and listed infrastructure.

INVESTMENT OBJECTIVES

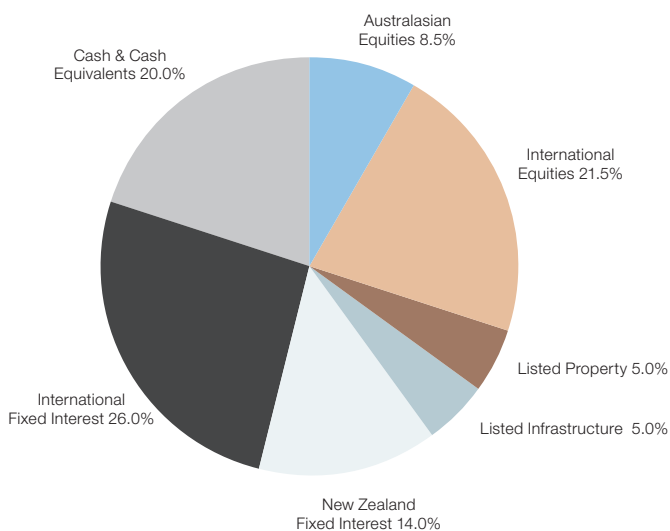
The Scheme's long-term investment objectives are:

- over the long term (rolling 10-year periods), to achieve a return after tax and investment fees, that exceeds inflation by 1.25% p.a.
- over a rolling three-year period, to achieve a Scheme return (gross of tax and investment fees) that exceeds the Composite Benchmark Return by 1.0% p.a.
- over a rolling three-year period, to achieve a return (gross of tax and investment fees) in each asset class that exceeds the relevant benchmark index return.

INVESTMENT STRATEGY

The Trustees set an investment strategy and determine a long-term asset mix to enable them to achieve their objectives. This asset mix is known as a 'benchmark' and allows the assets to be spread across various asset classes.

Benchmark asset mix as at 31 March 2023



INVESTMENTS AS AT 31 MARCH 2023

Asset class	Investment manager	Financial assets at 31 March 2023	Actual allocation at 31 March 2023 (%)	Range (%)
Australasian equities	Nikko Asset Management	\$8.2M	8.7	4.5-12.5
International equities	ANZ Investments	\$20.0M	21.3	16.5-26.5
Listed property	Mercer	\$4.3M	4.6	2.5-7.5
Listed infrastructure		\$4.4M	4.7	2.5-7.5
Total growth assets		\$36.9M	39.3	35-45
NZ fixed interest	ANZ Investments	\$13.0M	13.9	9-19
International fixed interest	Fisher Funds	\$25.0M	26.6	21-31
Cash and cash equivalents	ANZ Investments	\$9.5M	10.1	5-15
	Harbour Asset Management	\$9.5M	10.1	5-15
Total income assets		\$57.0M	60.7	55-65
Total investments		\$93.9M*	100.0	

* Note this is the financial assets at 31 March 2023.

The investment managers' performance is monitored by the Trustees taking into consideration advice from the investment consultant.

Comparison of Scheme performance versus KiwiSaver to 31 March*

	1 year (% p.a.)	3 years (% p.a.)	5 years (% p.a.)	7 years (% p.a.)
The Scheme**	-2.96%	3.41%	2.91%	3.70%
KiwiSaver Conservative median***	-2.04%	1.89%	2.34%	2.76%
KiwiSaver Balanced median***	-2.83%	5.15%	3.85%	4.42%

* This table compares MISS Scheme returns against all funds in the Conservative and Balanced sub-universes of the Mercer KiwiSaver Survey as at 31 March 2023. This Survey includes Conservative Funds from 10 KiwiSaver Schemes and Balanced Funds from 10 KiwiSaver Schemes. Not all KiwiSaver Schemes are included in the Mercer KiwiSaver Survey. The MISS Scheme has a strategic asset allocation to growth assets of 40% compared to the Conservative and Balanced sub-universes of the Mercer KiwiSaver Survey which include funds with allocations to growth assets of 20-39% and 40-60% respectively. The Conservative sub-universe does not include KiwiSaver Default Funds, which have their own sub-universe with a strategic asset allocation to growth assets below 20%.

** These returns are **after** tax & investment management fees and **after** deduction of expenses and reflect the actual final credited rate.

*** The KiwiSaver median returns are **after** tax and investment management fees and **after** deduction of expenses.

SCHEME MANAGEMENT

1. DETAILS OF THE SCHEME

This is the Annual Report for the MISS Scheme, for the year ended 31 March 2023. The Scheme is a restricted workplace savings scheme. The manager of the Scheme is MISS Scheme Trustees (**Trustees**).

The current product disclosure statement for the Scheme is dated 20 September 2022. The Scheme is open for applications.

The fund update, as at 31 March 2023, will be available by 30 June 2023 on www.disclose-register.companiesoffice.govt.nz.

The Scheme's latest financial statements as at 31 March 2023, authorised for issue on 23 June 2023, were lodged with the Registrar of Financial Service Providers on 26 June 2023. Copies of the financial statements (including the auditor's report) are available on www.disclose-register.companiesoffice.govt.nz.

2. INFORMATION ON CONTRIBUTIONS AND SCHEME PARTICIPANTS

This section provides a summary of changes in the membership of the Scheme over the year ended 31 March 2023.

Membership details

	Non-contributing members				Total membership
	Contributing members	Non-contributing members	Deferred members	Total non-contributing members	
At 1 April 2022	1,696	75	154	229	1,925
Contributory status change	(11)	11	-	11	-
Plus					
New members	136	-	-	-	136
Transfers in	-	-	16	16	16
Total new members	136	-	16	16	152
Less					
Retirement	(83)	-	-	-	(83)
Leaving service/ resignation/withdrawals	(129)	-	(29)	(29)	(158)
Retrenchment/redundancy	(1)	-	-	-	(1)
Death and ill-health	(4)	(1)	(1)	(2)	(6)
Transfers out to other schemes	(5)	-	-	-	(5)
Other reasons	(7)	-	-	-	(7)
Total withdrawals	(229)	(1)	(30)	(31)	(260)
Total at 31 March 2023	1,592	85	140	225	1,817

Members' accumulations

	1 April 2022	31 March 2023
Total members' accumulations	\$103,602,364	\$94,419,916
Number of members	1,925	1,817

Contributions

For the year ended 31 March 2023

Type	Number of members	Total amount
Member contributions	1,825	\$3,468,977
Member voluntary additional contributions	459	\$842,540
Employer contributions	1,827	\$2,480,809
Total		\$6,792,326

3. CHANGES RELATING TO THE SCHEME

Trust deed

There were no amendments made to the Trust Deed during the year ended 31 March 2023.

Statement of investment policy and objectives (SIPO)

During the financial year the SIPO was updated on 24 November 2022 to reflect the Scheme's assets were \$91M at 30 September 2022.

Copies of the latest Trust Deed and SIPO are available on www.disclose-register.companiesoffice.govt.nz.

Terms of the offer of interests in the Scheme

There were no material changes to the terms of offer of interests in the Scheme during the year ended 31 March 2023.

Changes to the Product Disclosure Statement (PDS) during year ended 31 March 2023

Date of current PDS: 20 September 2022

On 20 September 2022 the PDS was updated to reflect a slight increase to the administration fee and consequential increase to the annual fund charges effective from 20 September 2022.

Changes to the Other Material Information (OMI) during the year ended 31 March 2023

Date of current OMI: 20 September 2022

On 20 September 2022 the OMI was updated to reflect general updates to Trustees' details.

Related party transactions

The Trustees signed a Related Party Certificate on 26 May 2022 relating to the revised reduced management fees applicable to the Scheme's investments in the Mercer Listed Property and Mercer Listed Infrastructure Portfolios to 0.82% p.a. and 0.75% p.a. respectively. The reduced management fee was effective from 1 June 2022.

All related party transactions were conducted on arm's length terms.

4. OTHER INFORMATION FOR PARTICULAR TYPES OF MANAGED FUNDS

During the year to 31 March 2023, the following withdrawals were made from the Scheme:

Withdrawals	No. of members
Retirement	83
Leaving service / resignation / withdrawals	158
Retrenchment / redundancy	1
Death and ill-health	6
Transfers out to other schemes	5
Other reasons	7
Total full withdrawals	260
In-service Trustee approved partial withdrawal	17

Credited interest rates

For the year to 31 March 2023, the Trustees declared a credited interest rate of -2.96% to be applied to your accounts.

The credited interest rate takes into account the Scheme's investment earnings less tax and some expenses and a subsidy from the Reserve Account as determined by the Trustees (if any).

An interim interest rate is calculated monthly and applied to your accounts if you leave the Scheme during the year. Until the Scheme's actual return is known each month, a weekly proxy interest rate based on the Mercer Super Trust Moderate Fund is applied to your account balances if you leave during the Scheme year before the relevant monthly interim interest rate has been calculated.

The monthly interim rates applied during the year were as follows:

Month 2022	Interim interest rate
April	-1.76%
May	-0.92%
June	-2.72%
July	3.18%
August	-1.74%
September	-3.51%
October	1.55%
November	1.42%
December	-1.22%
Month 2023	Interim interest rate
January	2.69%
February	-0.61%
March	0.82%



Manager's statement

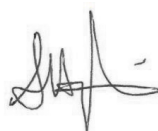
MISS Scheme Trustees as manager of the Scheme confirm that:

- 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 paid;
- the market value of the Scheme's assets at 31 March 2023 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 31 March 2023.

On behalf of the Trustees:



Joel Gabites
Trustee
23 June 2023



Sherryl Haughie
Trustee
23 June 2023

5. CHANGES TO PERSONS INVOLVED IN THE SCHEME

Trustees

At 31 March 2023, the Trustees were:

Union appointed		Appointment
Mike Nahu	NZMW & RT Union	1991
Robin McGowan	NZMW & RT Union	2003
Sherryl Haughie	NZMW & RT Union	August 2021

MIA appointed		Appointment
Gary Williams	Silver Fern Farms Limited	2006
Joel Gabites	ANZCO Foods Limited	December 2021

Trustee appointed	Appointment
Brian Mason	Licensed Independent Trustee 2016 & Chairman 1999

Profiles



Mike Nahu

I have been a Trustee of the Scheme since it was established in 1991. I am the National President of the New Zealand Meat Workers Union. I am based in Auckland.



Joel Gabites

I am the General Manager, Commercial and Business Improvement for ANZCO Foods based in Christchurch. I am responsible for all legal, commercial and corporate governance matters as part of my role. I hold a Bachelor of Laws and Bachelor of Commerce (University of Canterbury). Prior to joining ANZCO Foods in 2018 I worked as a management consultant, commercial lawyer and company director.



Robin McGowan

I live in Matura in Eastern Southland and have worked in the meat industry since 1972. I have previously been the President of the Matura sub-branch of the New Zealand Meat Workers Union and have been a Scheme Trustee since 2003.



Brian Mason

I was a Trustee of the Meat Industry Superannuation Scheme, now the MISS Scheme, from inception until I was appointed by the Trustees as the Independent Chairman in July 1999. I was also the Chairman and Trustee of the AFFCO Staff Superannuation Scheme for 20 years.



Gary Williams

Based in Havelock North, I am currently the General Manager Food Quality, Environment and Assurance for Silver Fern Farms Limited. I have a Bachelor of Technology (Biotechnology) and a Master of Business



Sherryl Haughie

I live in Christchurch and am currently the Finance Manager for the National Office of the New Zealand Meat Workers Union, where I have worked since 1995. I became a Scheme Trustee in August 2021.

I hold a licence to provide independent trustee services and I am currently the self-employed owner and director of B.L. Mason & Associates Ltd (a trust secretarial, administration services and independent trustee provider). I currently live in Queenstown.

Trustee changes

There have been no changes to the Trustees during the Scheme year. Jenna Stevenson was appointed as Deputy Trustee on 20 July 2022 by the New Zealand Meat Workers and Related Trades Union.

Administration Manager and Investment Managers

There have been no material changes to the administration and investment managers of the Scheme during the year ended 31 March 2023.

6. HOW TO FIND FURTHER INFORMATION

Information relating to the MISS Scheme can be found at www.disclose-register.companiesoffice.govt.nz (search '**MISS Scheme**').

The **scheme register** contains the Trust Deed, Statement of Investment Policy and Objectives, and the financial statements (click on '**Search Schemes**', and enter '**MISS Scheme**').

The **offer register** includes the Product Disclosure Statement, fund updates and Other Material Information (click on '**Search Offers**', and enter '**MISS Scheme**').

Additionally, this information relating to the Scheme is available on the Scheme website www.miss.org.nz. Scheme documents are also available from the Scheme Secretary on request.

There is no charge for providing any of the above information.

7. CONTACT DETAILS AND COMPLAINTS

Contact details for the Trustees, Securities Registrar, Disputes Officer and any queries or complaints:



Jenny Taylor
Scheme Secretary

MISS Scheme
PO Box 2897
Wellington 6140

P: (04) 819 2600

E: jenny.taylor@mercero.com

Complaints

If you have a complaint about the Scheme, you should contact the Scheme's Disputes Officer, Jenny Taylor of Mercer. The Trustees undertake to investigate your concerns promptly and fairly. You may contact the Disputes Officer to make a complaint by telephone, by email or in writing.

The Trustees are a member of an independent dispute resolution scheme, the Insurance and Financial Services Ombudsman Scheme ('IFSO'). If you are not happy with the Trustees' decision about your complaint, you may refer the matter to the IFSO at the following address:

IFSO Scheme
Level 2, Solnet House
70 The Terrace

PO Box 10-845
Wellington 6143

P: 0800 888 202

E: info@ifso.nz

Full details of how to make a complaint (after you have complained to the Scheme's Disputes Officer and not reached a satisfactory conclusion) and copies of the IFSO complaint form can be obtained from their website, www.ifso.nz.

The IFSO will not charge you a fee to investigate or resolve a complaint.

MATTERS OF INTEREST

FINANCIAL MARKETS CONDUCT ACT

Under the FMC Act regime, the time frames within which the Scheme's annual review information must be issued are:

Annual Confirmation (formerly Personal Benefit Statement)	Sent to members by 30 June
Fund update	Uploaded to Disclose website by 30 June
Financial statements and auditor's report	Prepared and uploaded to Disclose website by 31 July
Annual Report	Completed by 31 July (and uploaded to the Disclose website and issued to members within 28 days)

NEW ZEALAND SUPERANNUATION

As from 1 April 2023, the Government changed the level of payments to be made to recipients of New Zealand Superannuation. The annual payments are:

	Before tax	Taxed at 'M' (if you have no other income)
Married couple, civil union or defacto relationship*	\$45,738	\$39,709
Single Person (sharing)	\$27,686	\$23,825
Single Person (living alone or with a dependent child)	\$30,091	\$25,811

*Combined amount where both you and your partner meet the criteria for NZ Super.

SCHEME INTEREST RATES

If you leave the Scheme during the year, an interim interest rate is applied to your accounts.

The interim interest rates shown on page 7 are monthly rates after tax and expenses. For example, this means that if the monthly rates for April and May were 1% and 2% respectively, a member leaving the Scheme at the end of May would receive a return of roughly 3%. Similarly, if instead the rates were -1% and 2%, a member leaving the Scheme at the end of May would receive a return of about 1%. Monthly rates can be highly volatile and can be negative.

When you compare the Scheme's interest rates with bank rates, you should remember that the bank rate quoted is before tax. If you invest in a bank deposit paying say 3.4% for a one-year term, you would need to deduct tax at 28%, which would reduce the annual return to 2.5%.

New Zealanders who satisfy the residency requirements qualify for this benefit from age 65. However, qualifying recipients must apply for this benefit. It is not paid out automatically on turning 65. The levels are reviewed each year, and are adjusted to take account of increases in the cost of living (inflation) and wages.

The present Government's policy is to retain the existing entitlements for the foreseeable future. However, New Zealand Superannuation is not intended to provide any more than a safety-net level of income in retirement. The Trustees encourage you to take advantage of the Scheme to increase your level of savings and hence your ultimate benefit in retirement.

KIWISAVER

KiwiSaver is a voluntary savings scheme introduced by the Government in 2007. As at 31 March 2023, 3.3 million New Zealanders had joined KiwiSaver.

To find out more about KiwiSaver, visit www.ird.govt.nz/kiwisaver.



QUESTIONS AND ANSWERS

YOUR CONTRIBUTIONS

1. What happens if I want to stop contributing to the Scheme while I remain in employment?

Under the current rules governing the Scheme, you may apply to the Trustees to suspend or cease your contributions to the Scheme, in which case you will become a “Suspended Member” effective from the date your contributions stop. Death insurance cover will not be available to you unless you have agreed with the Trustees to continue your insurance cover and the Trustees have confirmed it in writing. The Trustees will require you to have sufficient funds in your account balances to pay insurance premiums. Currently, you can arrange for insurance cover to be continued for a maximum period to the end of the season following the season in which you stopped contributing.

If you stop contributing to the Scheme (and have not yet received your benefit entitlement) you can request transfer of 100% of your account balances to your KiwiSaver scheme at any time within 12 months of ceasing contributions (refer to question 22). Any insurance cover will cease.

If you have not recommenced your contributions by the end of the season following the season during which you suspended or ceased your contributions, your insurance cover will have stopped by the end of that season and your membership will be deemed to have ceased, although you will not be entitled to withdraw your benefit at that stage. Your resignation benefit will be calculated, based on your membership completed as at the date your contributions stopped, and your benefit will be held in the Scheme until you permanently leave the meat industry or if you request payment of your benefit within three months of reaching age 65. Investment returns will continue to be credited or debited to your benefit.

2. What do I need to do if I want to stop contributing to the Scheme while I remain in employment?

If you wish to suspend or cease contributions, please contact your pay office to ensure a “Request to Suspend Contributions” form is completed and forwarded to Mercer. You will need to complete the form to request that the Trustees make arrangements to continue your insurance cover.

It is the responsibility of individual members to ensure that the Trustees (through your pay office) are notified of any changes to your contribution or employment status. Failing to notify the Trustees may impact on your insurance cover and benefits received.

3. What happens if I stop contributing to the Scheme because I've signed an Individual Employment Agreement (“IEA”)?

If you stop contributing because you have signed an IEA but with no change of employment status, you will become a “Suspended Member” and you will be treated as if you had elected to stop contributing (please refer to Question 1). The Trustees’ current practice is that if you sign an IEA while remaining a process worker, this will not be accepted as having changed your employment status. Please contact your pay office to ensure a “Benefit Calculation Request” form is completed; this is to advise the Trustees you have ceased to be eligible for contributory membership following an IEA with no change in employment status. If you stop contributing because you have signed an IEA and you have a change of employment status due to promotion to a salaried position, you will become a “Former Member”. Your insurance cover will cease. Your benefit will be 100% of your account balances, however your benefit will not be paid until you permanently cease employment in the meat industry, transfer your benefit to KiwiSaver or if you request payment of your benefit within three months of reaching age 65. Please contact your pay office to ensure a “Benefit Calculation Request” form is completed; this is to advise the Trustees you have ceased to be eligible for contributory membership following a change of employment status with a promotion to salaried staff.

4. What happens if I change my contract?

If you have signed a variation agreement to the Collective Employment Agreement (CEA) you are eligible to be a member of the MISS Scheme. This is because you have signed a collective agreement (with a variation) and are a ‘waged’ worker regardless of whether or not you are a Union member.

5. What happens if I am not contributing to the Scheme during a season because work is unavailable?

Please contact your pay office to ensure a “Temporary Absence from Service” form is completed and forwarded to Mercer. You will need to complete the form to request that the Trustees make arrangements to continue your insurance cover. Mercer will then write directly to you to advise and confirm your rights and benefits. In this regard, your insurance cover will continue, if you wish, with no contributions for a maximum period of 24 months. If contributions do not start after 24 months, please contact Mercer directly to arrange a continuation option in respect of your insurance cover. Under a continuation option, you may be able to arrange and pay for a personal insurance policy without the need to provide evidence of good health. However, you need to contact Mercer before the 24-month mark.

YOUR BENEFITS

6. What happens when I permanently cease employment in the meat industry?

Once employment ceases eligibility for membership of the Scheme also ceases. On your last day of employment visit your pay office to complete and sign your "Benefit Calculation Request" form. Payroll will send the form to Mercer. Check the form shows your current address and if applicable, confirm with your pay office that your Scheme benefit should be paid into your personal bank account in your own name (the same bank account that your wages are paid into). If you wish to defer receipt of your benefit until a later date, please request that your pay office ticks the "Leave benefit in Scheme" box on your exit form. The exit form is still required to be sent to Mercer. Mercer will write to you and advise your benefit amount and how to claim the funds at a future date. As noted in the answer to Question 21 "Can I transfer my funds to KiwiSaver?" you also have an option to transfer 100% of your account balances to KiwiSaver. If you choose this option, a second page needs to be completed.

7. How long will it take for my benefit to be paid?

Your benefit cannot be paid until your final contributions have been received and processed by payroll. Most payrolls only remit contributions to Mercer monthly and once the contributions have been remitted, Mercer needs time to process the contributions before processing your benefit. This means that depending on when in a month you leave your final benefit will be paid up to four-to-five weeks and in some cases up to six weeks after your last day of employment.

8. What investment return do I get if I leave the Scheme during the year ended 31 March 2023?

When a benefit payment is made, "interim interest" is applied to your account balances for the period from the last completed review (31 March) to your date of exit. The rate of interim interest is calculated each month based on the actual returns achieved by the investment managers, less tax and a provision for certain expenses. Until the Scheme's actual return is known each month, a weekly proxy interest rate is applied to your account balances if you leave during the Scheme year before the relevant monthly interim investment return has been calculated.

For the period 31 March 2022 to 21 June 2022, a 0% rate applied for the period after the interim rate is updated until the next monthly interim interest rate is determined. With effect from 22 June 2022 a weekly proxy interest rate based on the Mercer Super Trust Moderate Fund has been introduced and the 0% rate referred to above no longer applies as a permanent measure. The expense deduction is currently 0.30% each month. Interest rates can be highly volatile and can be negative. The cumulative interest rates for the Scheme year to 31 March 2023 are shown on page 7.

9. Can I be paid my benefit while I am still employed in the industry?

The Scheme is designed to assist you to save for your retirement. You can only be paid your benefit when you leave the meat industry for good, or when you reach the age of 65 if you request payment of your benefit.

10. What happens when I reach age 65?

If you reach age 65 and you are still working in the meat industry, you will have the following options:

- (a) You can ask for your retirement benefit to be paid to you from the Scheme or transferred to your KiwiSaver scheme. If you elect this option, you will be paid your benefit in cash (or your benefit will be transferred) and your membership of the Scheme will cease and your insurance cover (if any) will also stop.
- (b) You can continue as a member of the Scheme, in which case your contributions and your employer subsidy will continue for as long as you remain in employment, and your insurance cover (if any) will continue until the earlier of you ceasing to be employed in the meat industry or reaching age 69.

You will have three months from when you turn 65 to decide whether you want your retirement benefit to be paid. If you don't make an election within those three months, then your membership will continue until you permanently cease employment with the meat industry. The Scheme Administrator will write to you before your 65th birthday to explain your options. Please advise your pay office of your decision.

11. Do I have to take my benefit out of the Scheme when I retire or leave the industry?

No. If you don't want to take an immediate cash payment, you may elect to defer receiving your benefit. In this case, your benefit will be held in the Scheme. An investment return will be credited, or debited, and expenses will be deducted from your Deferred Benefit until you elect to withdraw your benefit. You may draw down from your Deferred Benefit, subject to rules set by the Trustees from time to time. The following rules apply at present:

- withdrawals are limited to four a year;
- withdrawals must be for a minimum of \$1,000 per withdrawal;
- a minimum balance of \$3,000 must remain after a withdrawal (unless you withdraw the total amount).

You will be charged a fee (currently \$20) for each withdrawal, and this will be deducted from your Deferred Benefit. The fee can be reviewed by the Trustees. This facility will provide you with an ongoing tax-paid investment, or an opportune time to defer and withdraw your benefit at a later date if investment returns have been low or negative. If you are considering deferring your benefit, you should seek advice from your regular Financial Adviser.

12. Will my benefit from the Scheme be subject to tax?

No. When your benefit is paid, it is not subject to tax.

13. Who is the death benefit paid to?

If you die while you are a member of the Scheme, your death benefit will be paid to your Dependant(s) or personal representative, at the discretion of the Trustees.

A Dependant (as defined in the Scheme's trust deed) is any person who you have nominated in writing to the Trustees (your nominated beneficiary), or any other person whom the Trustees consider was wholly or partly dependent on you. The Trustees would like to know your wishes in this regard, and ask that you nominate the person(s) that you would like to receive this benefit. It is important for you to make sure your nomination(s) are kept up to date, particularly if your circumstances change. Copies of forms for changing your Beneficiaries can be obtained from your Union Secretary or your pay office, and there is a tear-off slip at the bottom of your Annual Confirmation enclosed with this Annual Report.

The Trustees also recommend that you make a Will and keep it up to date. If you have a Will, the Trustees recommend it includes details of your nominated beneficiaries for your death benefit.

14. If I nominate someone as my Beneficiary, can I be sure that the Trustees will pay the death benefit to that person?

Not necessarily. While the Trustees are obliged to consider your nomination, they will also make enquiries to see whether your circumstances have changed since you made your nomination, and determine whether any other person should be included as a Beneficiary or Dependant. The Trustees will also take into account other factors including their legal obligations. If your Annual Confirmation does not show a Beneficiary, please complete the tear-off slip and return it to Mercer at the address on the form. If you have a Will, the Trustees recommend it includes details of your nominated beneficiaries for your death benefit.

YOUR INSURANCE

15. When does my insurance cover start?

If you join the Scheme immediately after first completing two consecutive seasons (and for most employees this will be in your third season), or the season that you are first offered membership – you will be automatically entitled to death insurance cover. If you don't join at one of these times, you are not automatically entitled to insurance cover and you will be required to complete a personal health statement and possible further medical tests to be assessed for insurance cover, prior to insurance commencing. Mercer will advise you in writing if / when your insurance cover starts.

The amount of your insurance cover depends on your age at the date of death as shown below:

Age at date of death	Insured Benefit
Younger than 65	\$60,000
65	\$48,000
66	\$36,000
67	\$24,000
68	\$12,000
69 or older	nil

16. When does my insurance cover cease?

Your insurance cover in the Scheme will cease:

- if you are aged 69 or older; or
- if you have been temporarily absent, not employed, and had no contributions to the Scheme for a period of 24 months; or
- if you are 65 or older and your retirement benefits have been paid out of the Scheme in cash; or
- if you elect to stop contributing to the Scheme and become a Suspended Member and do not recommence contributions by the end of the season following the season in which you stopped contributing (assuming you have arranged for insurance cover to continue); or
- if you elect to stop contributing to the Scheme and become a Suspended Member and do not arrange with the Trustees to continue your insurance cover; or
- if you elect to stop contributing to the Scheme and become a Suspended Member and at any point have insufficient balances to pay your insurance premiums; or
- on leaving the meat industry (and being paid, or deferring receipt of, your benefit) or transferring your account balances to your KiwiSaver scheme.

17. Can I continue my insurance cover if I leave employment due to poor health?

If you have death cover then, currently yes. The Insurer continues your death cover for 45 days after you leave employment and allows insured members under age 65 to take out a personal policy with the Insurer for death cover of up to \$60,000 without the need to prove good health. This policy needs to be taken out within 60 days of your leaving service. You will pay the premium on this personal policy. If a member is leaving work due to a terminal illness then the Insurer will consider paying the insurance to the Scheme as an advance on the death claim. This enables the member to get his or her affairs in order and to have some peace of mind in relation to the future for his or her dependants. Mercer should be contacted to arrange for a claim to be lodged before any such member leaves service.

18. How much does my insurance cover cost?

For members with insurance cover, your annual insurance premium reduced from \$254.40 to \$250.20 per annum from 1 April 2020. This is deducted from your employer account balance.

19. Do I have insurance cover if I am on a work visa?

Employees can join the MISS Scheme on a work visa as long as they meet all the requirements for eligibility under the MISS Scheme i.e. they have completed two full consecutive seasons under employment. This means that an employee would be eligible to join the MISS Scheme when starting their third consecutive season of employment. They must also have at least a 12-month work visa. New Zealand visa holders who become members are also eligible for insurance cover under the Scheme provided their visa is not issued for a period less than 12 months. They will also need to be residing in New Zealand. Should their right to live and work in New Zealand cease, insurance cover would also cease. Insurance cover is subject to the member completing any insurance requirements when joining the MISS Scheme and payment of an insurance benefit is subject to acceptance of a claim by the insurer.

20. Does my insurance cover continue while I am overseas?

As a member of the MISS Scheme if you have insurance cover and travel overseas, your insurance cover will continue provided that you are not travelling to any countries that have travel warnings / alerts (visit www.safetravel.govt.nz) in place and premiums continue to be paid. Please note that payment of an insurance benefit is subject to acceptance of a claim by the insurer.

KIWISAVER

21. What do I do if I want to contribute to KiwiSaver instead of the Scheme?

If you remain in employment and want to contribute to KiwiSaver instead of the Scheme, you will need to contact your pay office. Your pay office will supply the necessary forms to start your KiwiSaver contributions and a "Request to Suspend Contributions" form for you to suspend your contributions to the MISS Scheme and, if you wish, to request that the Trustees make arrangements to continue your insurance cover for the maximum period. For details on what happens to your benefits, if you stop contributing to the MISS Scheme please refer to Question 1, "What happens if I want to stop contributing to the Scheme while I remain in employment?"

22. Can I transfer my funds to KiwiSaver?

You can request transfer of 100% of your account balances to your KiwiSaver scheme:

- if you remain in employment in the meat industry but elect to stop contributing to the Scheme, provided you make the request to transfer within 12 months of ceasing contributions;
- if you are a Former Member i.e. you have stopped contributing due to a change in employment status accepted by the Trustees;
- if you are permanently ceasing employment. At the time you leave employment you will be given the option of transferring 100% of your account balances to your KiwiSaver scheme instead of payment (or deferring) of your cash benefit entitlement. Membership of the Scheme will cease if you transfer your funds to KiwiSaver. Please contact your pay office to arrange transfer of your funds.

GENERAL

23. What happens if I am not working due to injury, ill health or parental leave?

If you are not working due to injury or ill health, or if you are on parental leave, please contact your pay office to ensure a "Temporary Absence from Service" form is completed and forwarded to Mercer. This will enable your insurance cover to continue for at least 24 months, and your period of absence to count as membership for vesting purposes. Please ensure your pay office is aware of the reason for your absence and that the "Temporary Absence from Service" form is completed and forwarded to Mercer. Mercer will then write directly to you to advise you of your rights and benefits.

24. Who do I speak to if I have a question or complaint in respect of the Scheme?

There are a number of people that are able to assist you in relation to the Scheme. These include your Union, any of the Trustees and Mercer. If you have questions that relate to your account balances, then these queries should be directed to the Scheme Administrator at Mercer. The contact details are shown in the directory later in this report. If you have a complaint/dispute, details of what to do are provided in the 'contact details and complaints' section of this report.

25. What should I do if my address changes?

Your Annual Confirmation has a tear-off slip for you to complete to advise Mercer of your address change. Please post this to Mercer at the address shown on the slip, or give the slip to your pay office to forward on to Mercer.

26. Can I withdraw my MISS Scheme account balances due to significant financial hardship or to buy a first home?

Unlike KiwiSaver, MISS Scheme members are not able to withdraw their benefit due to significant financial hardship or to purchase a first home. Approval is subject to consent of the KiwiSaver Provider Trustee.

27. Where can I get financial advice?

A list of financial advisers is published on the Financial Markets Authority website www.fma.govt.nz/investors/getting-financial-advice/finding-an-adviser. Trustees and employers cannot give financial advice to members.

28. Where can I get financial advice?

Do you need help managing your money? If you are thinking of leaving employment or withdrawing your money from the Scheme, it's important that you understand that the value may go up or down with the market and allow for that. There are a number of free online financial planning tools available and financial advisory services that can help you manage your money including:

- Sorted: This is a free service powered by Te Ara Ahunga Ora (Retirement Commission), the government-funded, independent agency dedicated to helping New Zealanders get ahead financially. www.sorted.org.nz
- Financial Markets Authority: If you want to invest, buy a mortgage or insurance, or plan for your long-term future, you may benefit from speaking to a financial adviser. On FMA's website, they'll help you understand when to get advice, the types of advisers available and how to find one. They'll also explain the level of service to expect from your adviser and the safeguards in place to protect you and your money. www.fma.govt.nz/consumer/getting-advice
- MoneyTalks: This is a free helpline available to provide free budgeting advice to individuals, family and whānau. Their financial mentors can help you understand your financial situation, organise your debt, assist you with planning for the future, or get you in touch with a local accounting service. www.moneytalks.co.nz or phone **0800 345 123**

DIRECTORY



SECRETARY

Jenny Taylor
Scheme Secretary

MISS Scheme
PO Box 2897
WELLINGTON 6140

P: (04) 819 2600
E: jenny.taylor@mercerc.com

Jenny is also the Scheme's Privacy Officer and Disputes Officer

ADMINISTRATION MANAGER

Mercer (N.Z.) Limited

AUDITOR

Deloitte Limited

INSURER

AIA New Zealand Limited

INVESTMENT CONSULTANT

Mercer (N.Z.) Limited

INVESTMENT MANAGERS

ANZ New Zealand Investments Limited
Fisher Funds Management Limited
Harbour Asset Management Limited
Mercer (N.Z.) Limited
Nikko Asset Management New Zealand Limited

SOLICITOR

Bell Gully

QUESTIONS



Erika Cada is the Scheme's administrator and is responsible for the day-to-day running of the Scheme. Please contact Erika if there is any part of the Scheme or this Annual Report about which you need additional help or information. You can contact Erika at:

Scheme Administrator
MISS Scheme
Mercer (N.Z.) Limited
PO Box 1849
WELLINGTON 6140

P: (04) 819 2600
E: MISS@mercerc.com

NOTES

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