

MISS Scheme



Fund Update for the Scheme year ended 31 March 2021

This fund update was first made publicly available on 28 June 2021.

What is the purpose of this update?

This document tells you how the MISS Scheme (**Scheme**) has performed and what fees were charged. The document will help you to compare the Scheme with other funds. The trustees of the MISS Scheme prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

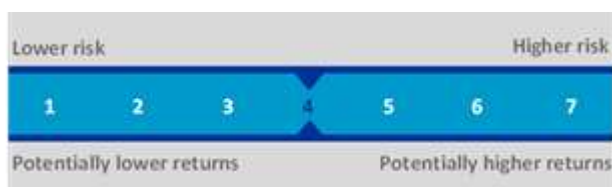
Description of this fund

The Scheme targets a 40% allocation to growth assets (equities, listed property, and listed and unlisted infrastructure) and a 60% allocation to income assets (fixed interest and cash and cash equivalents). The investment objective of the Scheme is to achieve a return, after tax and investment expenses that exceeds inflation by 2.0% per annum over the longer term (10 years).

Total value of the Scheme	\$110,615,773
Number of investors in the Scheme	1992
The date the Scheme started	31 July 1991

What are the risks of investing?

Risk indicator for the Scheme



The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the Scheme's assets goes up and down. A higher risk generally means higher potential returns over time, but more ups and downs along the way.

To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at www.sorted.org.nz/tools/investor-kickstarter.

Note that even the lowest category does not mean a risk-free investment, and there are other risks that are not captured by this rating.

This risk indicator is not a guarantee of a fund’s future performance. The risk indicator is based on the returns data for the five-year period to 31 March 2021. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates.

See the product disclosure statement (PDS) for more information about the risks associated with investing in the Scheme.

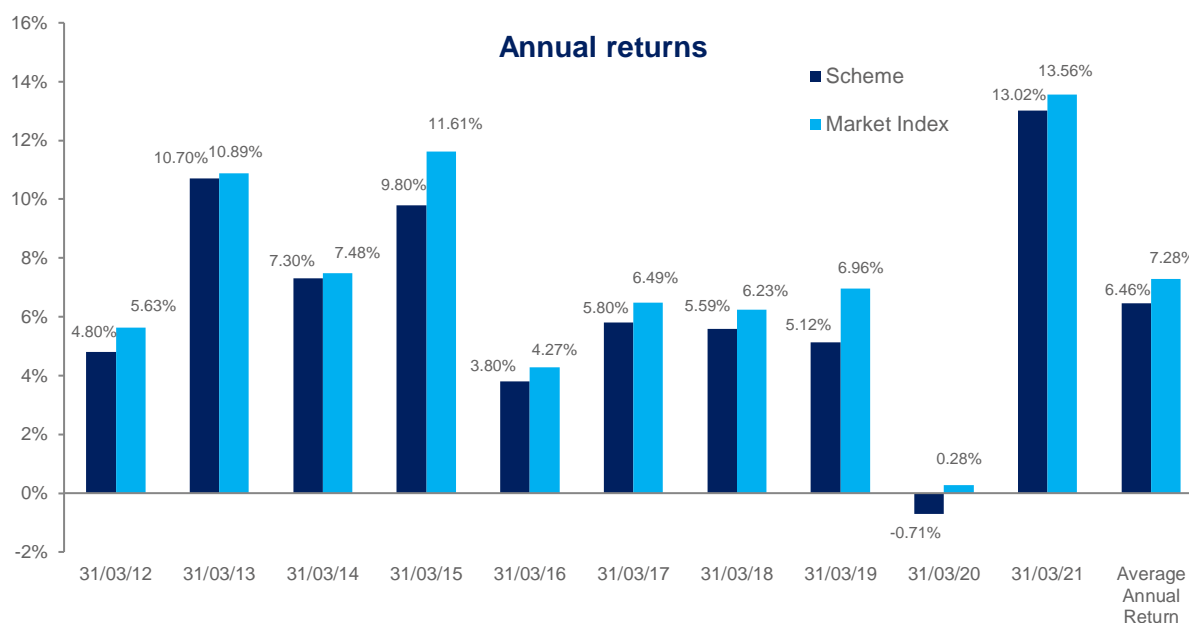
How has the fund performed?

	Average over past 5 years	Past year
Annual return¹ (after deductions for charges and tax)	5.68%	13.02%
Annual return¹ (after deductions for charges but before tax)	6.77%	14.96%
Market index annual return (reflects no deduction for charges and tax)	6.62%	13.56%

The market index annual return is the strategic asset allocation weighted benchmark index return, where the benchmark indices are defined in the Statement of Investment Policy and Objectives.

Additional information about the market index is available on the offer register at:

disclose-register.companiesoffice.govt.nz.



This shows the return after fund charges and tax for each of the last 10 years ending 31 March. The last bar shows the average annual return for the last 10 years, up to 31 March 2021.²

Important: This does not tell you how the Scheme will perform in the future.

What fees are investors charged?

Investors in the Scheme are charged fund charges. In the year to 31 March 2021 these were:

	Percentage of net asset value
Total fund charges	0.82%
Which are made up of:	
Total management and administration charges	0.82%
Including -	
Manager's basic fee	0.40%
Other management and administration charges	0.42%
Total performance-based fees	0.00%

	Dollar amount per investor or description of how charge is calculated
Other charges	
Administration fee	The administration fee is recalculated each month so that the total administration fees deducted cover the monthly fees payable to Mercer (N.Z.) Limited. The administration fees charged for the year ended 31 March 2021 were \$160.72.
Insurance premium	\$250.20 per annum, which is payable by investors who have life insurance cover under the Scheme.

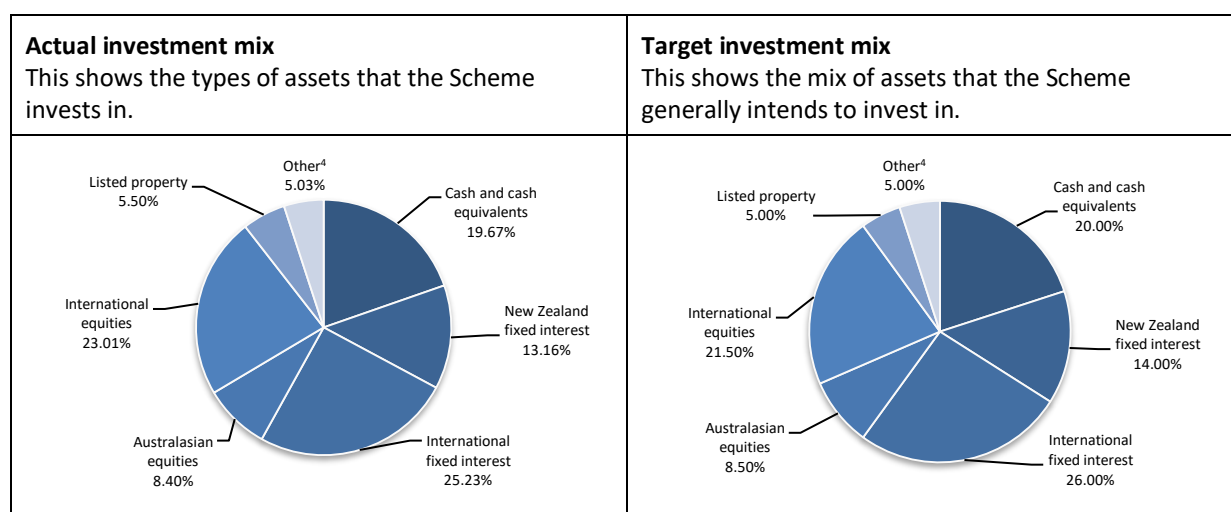
Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from the Scheme). See the PDS on the offer register at disclose-register.companiesoffice.govt.nz for more information about those fees.

Example of how this applies to an investor

Small differences in fees and charges can have a big impact on your investment over the long term.

Mary had \$10,000 in the Scheme at the start of the year and did not make any further contributions. At the end of the year, Mary received a return after fund charges were deducted of \$1,302.00 (that is 13.02% of her initial \$10,000). Mary also paid \$410.92 in other charges. This gives Mary a total return after tax of \$891.08 for the year.³

What does the fund invest in?



Top 10 investments

Asset name	% of Scheme net assets	Type	Country	Credit rating
ANZ Wholesale International Share Fund	23.01%	International equities	NZ	N/A
ANZ Wholesale NZ Fixed Interest Fund	13.16%	New Zealand fixed interest	NZ	N/A
Fisher Institutional International Bond Fund	12.63%	International fixed interest	NZ	N/A
Fisher Institutional Core International Bond Fund	12.60%	International fixed interest	NZ	N/A
Harbour NZ Enhanced Cash Fund	9.84%	Cash and cash equivalents	NZ	N/A
ANZ Wholesale Cash Fund	9.83%	Cash and cash equivalents	NZ	N/A
Nikko NZ Core Equity Fund	8.40%	Australasian equities	NZ	N/A
Mercer Global Listed Property Fund	5.50%	Listed property	NZ	N/A
Mercer Global Listed Infrastructure Fund	3.35%	Other	NZ	N/A
Mercer Global Unlisted Infrastructure Fund	1.68%	Other	NZ	N/A

The total value of the above individual assets is 100% of the net asset value of the Scheme.

Currency hedging

- International equities: 50.00% hedged, after tax
- Real assets and global bonds: 100.00% hedged, after tax
- Hedging of Australian currency exposure within Australasian equities is at the investment manager's discretion.

Key personnel

Name	Current position	Time in current position	Previous or other current position	Time in previous or other current position
Garth Gregory	Investment Consultant, Mercer (N.Z.) Limited	13 years 5 months	Analyst, AMP Capital	1 year 0 months
Mark Brown	Head of Fixed Income, Harbour Asset Management	2 years 1 months	Fixed Income Portfolio Manager, Harbour Asset Management	8 years 2 months
Bruce McLachlan	Chief Executive Officer, Fisher Funds	4 years 3 months	Chief Executive, The Co-operative Bank	4 years 10 months
Ronan McCabe ⁵	Chief Investments Officer, Mercer (N.Z.) Limited	0 years 4 months	Head of Portfolio Management (Pacific), Mercer	2 years 3 months
Paul Huxford	Chief Investment Officer, ANZ Investment	3 years 2 months	Independent adviser	3 years 0 months

Further information

You can also obtain this information, the PDS for the Scheme, and some additional information from the offer register at disclose-register.companiesoffice.govt.nz.

Notes

1. The Scheme returns shown include any allocations made from the Scheme's Reserve Account.
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3. The other charges are deducted from an investor's Post-1 April 2008 Subsidy Account, being the account to which employer contributions are credited, or if there are insufficient funds in that account, from the investor's Member Account. Except where there are insufficient funds in the Post-1 April 2008 Subsidy Account, the other charges will not be deducted from the return applied to the investor's Member Account.
4. 'Other' consists of listed and unlisted infrastructure assets.
5. Ronan McCabe has not been named in a previous fund update for the Scheme.