MAS KiwiSaver Scheme

Conservative Fund

Fund update for the quarter ended 31 December 2024

This fund update was first made publicly available on 12 February 2025

What is the purpose of this update?

This document tells you how the MAS KiwiSaver Scheme Conservative Fund has performed and what fees were charged. The document will help you to compare the fund with other funds. Medical Funds Management Limited 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 Conservative Fund invests mainly in income assets with a modest allocation to growth assets. The Fund aims to preserve capital while providing a steady return over the short to medium term. It is suitable for investors who want to take a more cautious approach and accept a smaller amount of investment risk to potentially achieve a more stable return.

Total value of the fund	$76,603,888
Number of investors in the fund	1,722
The date the fund started	1 October 2007

What are the risks of investing?

Risk indicator for the Conservative Fund:

Potentially lower returns — Potentially higher returns

1	2	3	**4**	5	6	7

Lower risk — Higher risk

The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the fund'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 **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 5 years to 31 December 2024. 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 this fund.

How has the fund performed?

	Average over past 5 years	Past year
Annual return (after deductions for charges and tax)	2.30%	6.32%
Annual return (after deductions for charges but before tax)	2.64%	7.60%
Market index annual return (reflects no deduction for charges and tax)	2.45%	7.60%

The market index comprises the benchmark index returns of each of the asset classes weighted by their benchmark asset allocations. Additional information about the market index is available on the offer register at **disclose-register.companiesoffice.govt.nz**

Annual Return Graph

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 December 2024.

Important: this does not tell you how the fund will perform in the future.

Returns in this update are after tax at the highest prescribed investor rate (PIR) of tax for an individual New Zealand resident. Your tax may be lower.

What fees are investors charged?

Investors in the Conservative Fund are charged fund charges. In the year to 31 March 2024 these were:

	% of net asset value[1]
Total fund charges	0.91%
Which are made up of:	
Total management and administration charges	0.91%
Including:	
Manager's basic fee [2]	0.74%
Other management and administration charges	0.17%
Total performance-based fees	0.00%
	Dollar amount per investor
Other charges	$0

[1] The annual fund charges include GST as applicable. Fees and charges may not sum to the total fund charges due to rounding.

[2] On 1 November 2023, the manager's basic fee reduced from 0.80% to 0.66%, and the minimum manager's basic fee of $12.50 per calendar quarter ($50 per annum) for members over the age of 25 was removed. You can find more information about the fees and charges in the Product Disclosure Statement (PDS).

Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). See the PDS for more information about those fees.

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

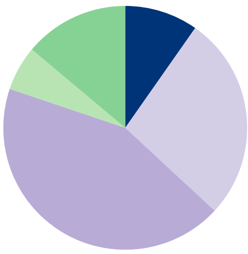
Example of how this applies to an investor

Sam had $10,000 in the fund at the start of the year and did not make any further contributions. At the end of the year, Sam received a return, after fund charges were deducted, of $632 (that is 6.32% of his initial $10,000). Sam also paid $0 in other charges. This gives Sam a total return after tax of $632 for the year.

What does the fund invest in?

This shows the types of assets that the fund invests in.

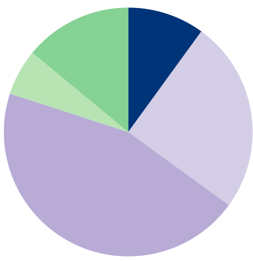
Actual investment mix



- Cash and cash equivalents 9.73%
- New Zealand fixed interest 27.17%
- International fixed interest 43.28%
- Australasian equities 5.93%
- International equities 13.89%

This shows the types of assets the fund generally intends to invest in.

Target investment mix



- Cash and cash equivalents 10.00%
- New Zealand fixed interest 25.00%
- International fixed interest 45.00%
- Australasian equities 6.00%
- International equities 14.00%

Top 10 investments

No	Asset name	% of fund net assets	Type	Country	Credit rating (If Applicable)
1	Hunter Global Fixed Interest Fund	43.28%	International fixed interest	NZ	
2	JBWere Premium Custody Call Account - NZD	5.49%	Cash and cash equivalents	NZ	
3	Bank of New Zealand 4.985% 07/06/2027	2.95%	New Zealand fixed interest	NZ	AA-
4	Westpac New Zealand 3.696% 16/02/27	1.74%	New Zealand fixed interest	NZ	AA-
5	Chorus Limited 4.35% 06/12/2028	1.60%	New Zealand fixed interest	NZ	BBB
6	Kiwibank 5.737% 19/10/2027	1.56%	New Zealand fixed interest	NZ	A+
7	Kiwibank 6.254% 19/10/2028	1.55%	New Zealand fixed interest	NZ	A+
8	New Zealand Government 1.5% 15/05/2031	1.48%	New Zealand fixed interest	NZ	AAA
9	Auckland International Airport 6.22% 02/11/2029	1.27%	New Zealand fixed interest	NZ	A-
10	Westpac New Zealand 6.73% 14/02/2034	1.17%	New Zealand fixed interest	NZ	A

The total value of the above investments as a percentage of the net asset value of the Conservative Fund is 62.09%.

Currency hedging

Currency hedging can apply to some of the asset classes the fund invests in. As at 31 December 2024, the actual hedging is as follows:

Asset class	Benchmark hedging rate	Current hedging level
International Equities	Benchmark 50% hedged (Range 0-100%)	51%
Australasian Equities	Benchmark 100% hedged (Range 0-100%)	80%
International Fixed Interest	Benchmark 100% hedged	100%

Key personnel[1]

The 5 persons who have the most impact on investment decisions for the Conservative Fund as at 31 December 2024.

Name	Current position	Time in current position	Previous or other position	Time in previous or other position
Brendan O'Donovan	Chair Investment Committee	7 Year, 6 Months	Independent Director, MAS	3 Year, 8 Months
Daniel Mead	Head of Investment	1 Year, 5 Months	Senior Portfolio Manager, AMP	2 Year, 4 Months
Hayden Griffiths	Head of Asset Allocation, JBWere	28 Year, 8 Months	Analyst, BZW	2 Year, 5 Months
Rickey Ward	Australasian Equity Manager, JBWere	10 Year, 8 Months	Head of Australasian Equities, Nikko Asset Management	20 Year, 0 Months
Fergus McDonald	Head of Bonds and Currency, Nikko Asset Management	24 Year, 6 Months	NZ Fixed Interest Portfolio Manager, Nikko Asset Management	10 Year, 5 Months

Further information

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

Notes

1- Medical Funds Management Limited as manager of the Scheme recently reviewed and updated the key personnel. Brendan O'Donovan, Daniel Mead, Rickey Ward and Fergus McDonald are considered to have the most impact on investment decisions of the Fund and have not been named in the previous fund updates.