

MAS KiwiSaver Scheme

Balanced Fund

Fund update for the quarter ended 31 March 2022

This fund update was first made publicly available on 3 May 2022



What is the purpose of this update?

This document tells you how the MAS KiwiSaver Scheme Balanced 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 Balanced Fund invests mainly in growth assets with a moderate allocation to income assets. The Fund aims to provide a medium level of return over the medium to long term. It is suitable for investors who are prepared to accept a medium level of investment risk to potentially achieve a medium return.

Total value of the fund	\$334,814,024
Number of investors in the fund	5,326
The date the fund started	1 October 2007

What are the risks of investing?

Risk indicator for the Balanced Fund:

Potentially lower
returns

Lower risk



Potentially higher
returns

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 March 2022. 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.

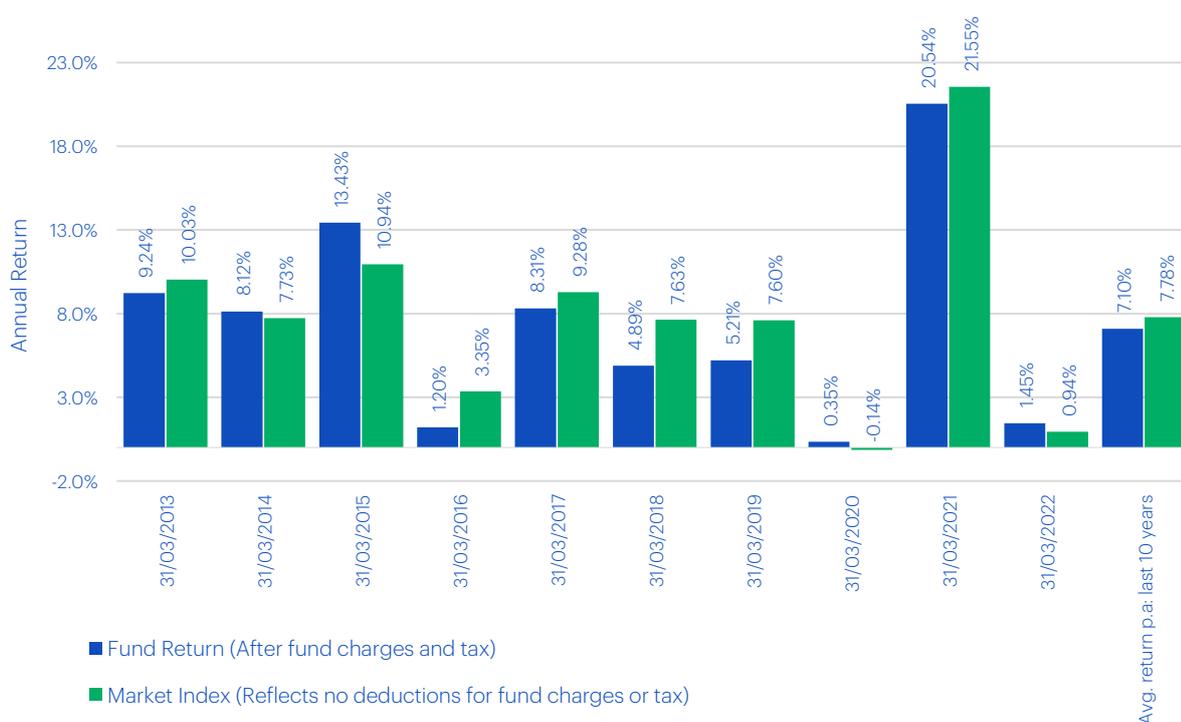
See the Product Disclosure Statement (PDS) for more information about the risks associated with investing in this fund.

How has the fund performed?

	Average over past 5 years	Past year
Annual return (after deductions for charges and tax)	6.25%	1.45%
Annual return (after deductions for charges but before tax)	6.93%	1.41%
Market index annual return (reflects no deduction for charges and tax)	7.28%	0.94%

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 March 2022.

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 Balanced Fund are charged fund charges. In the year to 31 March 2022 these were:

	% of net asset value ¹
Total fund charges	1.11%
Which are made up of:	
Total management and administration charges	1.11%
Including:	
Manager's basic fee ²	0.96%
Other management and administration charges	0.15%
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 From 23 June 2021 the manager's basic fee was reduced from 1.00% to 0.95%. You can find more information about the fees and charges in the Product Disclosure Statement (PDS). From 23 June 2021 the minimum manager's basic fee of \$12.50 per calendar quarter (\$50 per annum) was removed for members under the age of 25.

The annual manager's basic fee is subject to a minimum fee of \$12.50 per calendar quarter (\$50 per annum) for members over the age of 25. Therefore for members over the age of 25 with an account balance of less than \$5,882 the actual manager's basic fee charged as a percentage of the member's account balance may be higher than that stated in the 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.

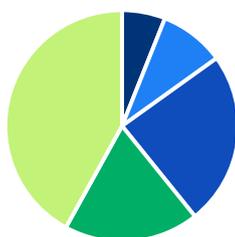
Example of how this applies to an investor

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 \$145 (that is 1.45% of his initial \$10,000). Sam also paid \$0 in other fees and charges. This gives Sam a total return after tax of \$145 for the year.

What does the fund invest in?

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

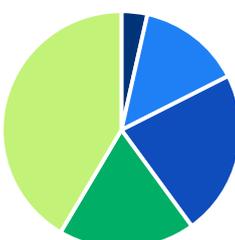
Actual investment mix



- Cash and cash equivalents 6.00%
- New Zealand fixed interest 9.04%
- International fixed interest 24.21%
- Australasian equities 18.75%
- International equities 42.00%

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

Target investment mix



- Cash and cash equivalents 3.50%
- New Zealand fixed interest 14.00%
- International fixed interest 22.50%
- Australasian equities 18.50%
- International equities 41.50%

Top 10 investments

No	Asset name	% of fund net assets	Type	Country	Credit rating (If Applicable)
1	Hunter Global Fixed Interest Fund	24.21%	International fixed interest	NZ	
2	JBWere Premium Custody Call Account - NZD	2.81%	Cash and cash equivalents	NZ	
3	Microsoft Corp	2.52%	International equities	US	
4	NZ Govt 1.5% 15/05/2031	2.40%	New Zealand fixed interest	NZ	AAA
5	Infratil Ltd	2.00%	Australasian equities	NZ	
6	Fisher & Paykel Healthcare Ltd	1.43%	Australasian equities	NZ	
7	Mainfreight Ltd	1.26%	Australasian equities	NZ	
8	Meridian Energy Limited	1.17%	Australasian equities	NZ	
9	Tesla Inc	0.97%	International equities	US	
10	Alphabet Inc Class A	0.94%	International equities	US	

The total value of the above investments as a percentage of the net asset value of the Balanced Fund is 39.71%.

Currency hedging

Currency hedging can apply to some of the asset classes the fund invests in. As at 31 March 2022, the actual hedging is as follows:

Asset class	Benchmark hedging rate	Current hedging level
International Equities	Benchmark 69% hedged (Range 0-138%)	73%
Australasian Equities	Benchmark 138% hedged (Range 0-138%)	67%
International Fixed Interest	Benchmark 100% hedged	100%

The 138% upper range reflects an approximate after-tax position of 100% (assuming a PIR of 28%), better aligning the hedge position with the underlying assets, which have a different tax treatment. Please refer to the Statement of Investment Policy and Objectives on the scheme register at disclose-register.companiesoffice.govt.nz for more information.

Key personnel

The 5 persons who have the most impact on investment decisions for the Balanced Fund as at 31 March 2022.

Name	Current position	Time in current position	Previous or other position	Time in previous or other position
Bruce Robertson	Portfolio Manager, JBWere	25 Years, 0 Months	Partner, Goldman Sachs JBWere	7 Years, 1 Month
Tom Phillips	Portfolio Manager, JBWere	17 Years, 7 Months	Corporate lawyer, Bell Gully	7 Years, 8 Months
Earl White	Executive Advisor, Bancorp Treasury	19 Years, 2 Months	Treasurer, BNP Paribas	8 Years, 7 Months
Phil Borkin	Senior Strategist, JBWere	3 Years, 3 Months	Senior Macro Strategist, ANZ	4 Years, 0 Months
Hayden Griffiths	Head of Asset Allocation, JBWere	25 Years, 11 Months	Analyst, BZW	2 Years, 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