

Medical Assurance Society KiwiSaver Plan Annual Report

The logo consists of a white shield-like shape with a green border, containing the lowercase letters 'mas' in green.

mas

For the year ended
31 March 2018

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Details of Plan

Name of the Plan

Medical Assurance Society KiwiSaver Plan ("Plan").

Type of scheme

The Medical Assurance Society KiwiSaver Plan is a restricted KiwiSaver scheme.

Manager

The Trustees are the manager of the Plan.
The Trustees are:

- H E Aish, D R Dinsdale
- A C Hercus, B C Sutton
- B G O'Donovan (Licensed Independent Trustee)

Product Disclosure Statement

The latest Medical Assurance Society KiwiSaver Plan product disclosure statement is dated 21 September 2017 and is open for applications.

Fund Updates

A Fund Update for each of the portfolios in the Plan as at 31 March 2018 can be found at mas.co.nz/savings-and-investment/kiwisaver and on the offer register at business.govt.nz/disclose.

Financial Statements and Auditor's report

The latest financial statements for the Plan is for the year ended 31 March 2018. 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 27 June 2018, were lodged with the Registrar on 18 July 2018. They can be found on the offer register at business.govt.nz/disclose.

Report of the Trustees

The year in review

The Trustees are pleased to present the Annual Report of the Medical Assurance Society KiwiSaver Plan for the 12 months to 31 March 2018.

Returns for the year

Portfolio	Returns (after fees and before tax) 12 months to 31 March 2018
Cash	2.41%
Defensive	4.75%
Conservative	5.31%
Balanced	6.02%
Growth	6.77%
Aggressive	7.49%
Global Equities	7.85%

Returns are determined by changes in the unit price. Please note that past returns are no guarantee of future returns.

Investment commentary

Investment returns were generally strong across all the Plan's portfolios for the year ended 31 March 2018. International and New Zealand share markets performed strongly due to the favourable environment of improving economic growth, rising company profits, yet low inflation allowing interest rates to remain near record lows. Low interest rates helped drive investors into shares but meant that returns for the Cash Portfolio were low.

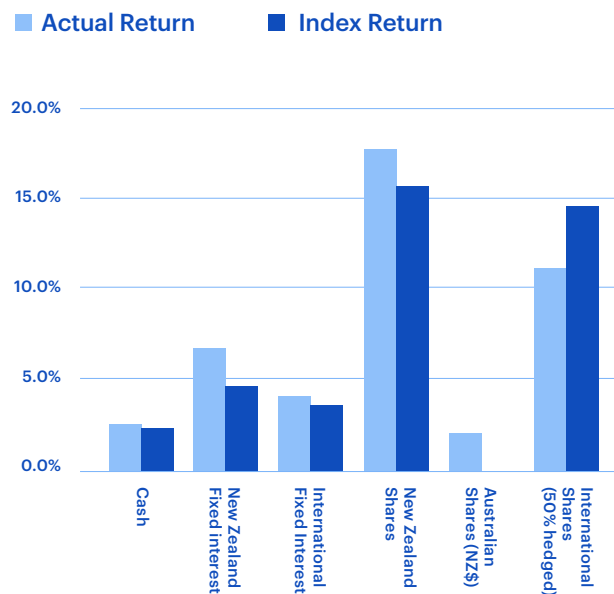
Global economic growth improved in 2017-18, led by the key United States economy. In the US employment growth has been strong, wage growth is accelerating, and investment in plant and equipment is looking much stronger. This is also true for Europe, which had been lagging in several areas.

Globally, despite tightening labour markets, strong consumer confidence, and improved consumer and business spending, inflation remains muted. This has helped keep interest rates near record low levels over the review year, which in turn has boosted investment returns.

International and New Zealand share markets had a very strong year ended March 2018, with the United States and some other major share markets reaching record highs in late January 2018. International share markets have now recorded their second longest sustained increase in decades.

The returns for the individual asset classes are shown in the chart below.

Asset class (actual and index) returns* for 12 months to 31 March 2018



*Before fees and tax. Based on the Balanced Portfolio. Returns for other portfolios are very similar.

Portfolio performance

Year to 31 March 2018

Unit prices are after fees and before tax.

The portfolio performances shown in the graph below are based on changes in unit price. Past performance is not indicative of future returns.



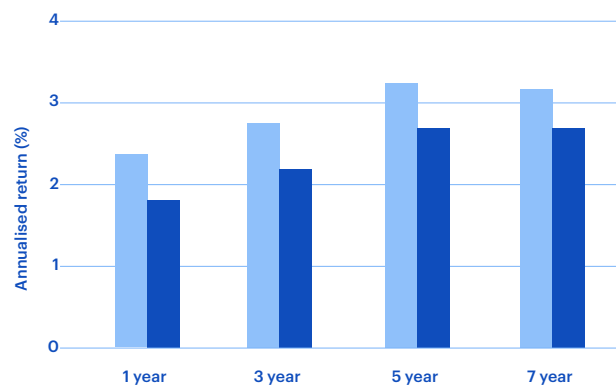
MAS KiwiSaver Plan Portfolios

Returns per annum to 31 March 2018

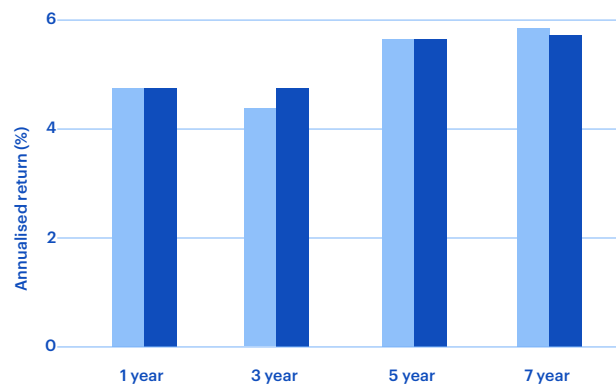
■ Actual (after fees and before tax)

■ Benchmark (before fees and tax)

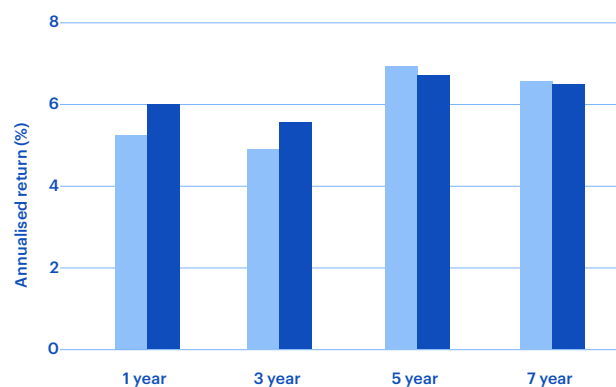
Cash Portfolio



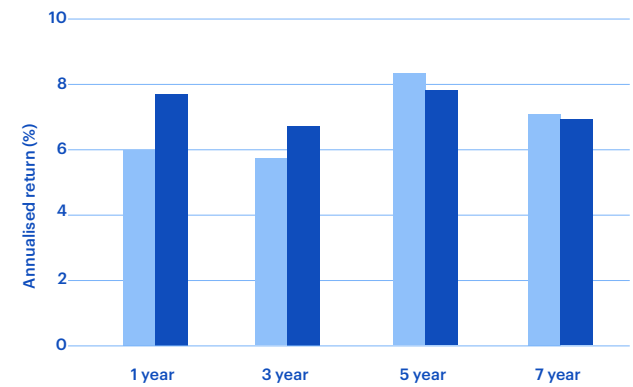
Defensive Portfolio



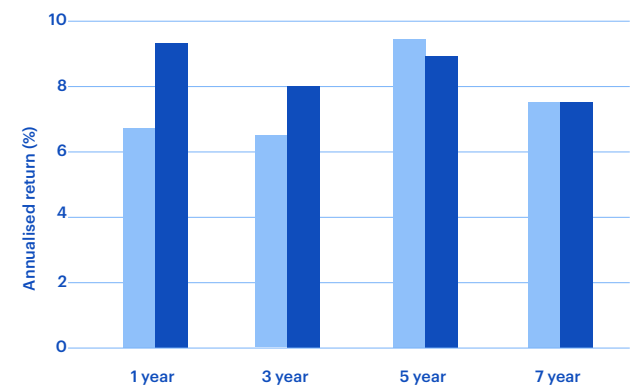
Conservative Portfolio



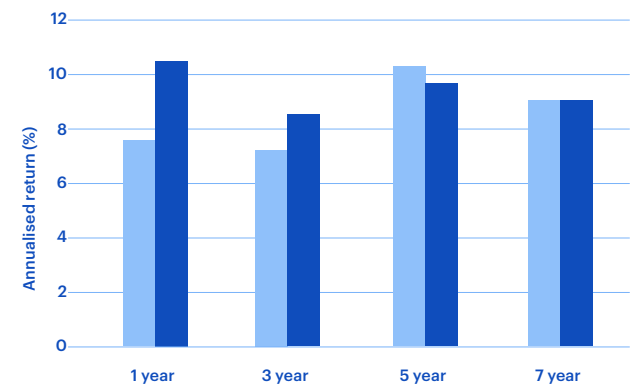
Balanced Portfolio



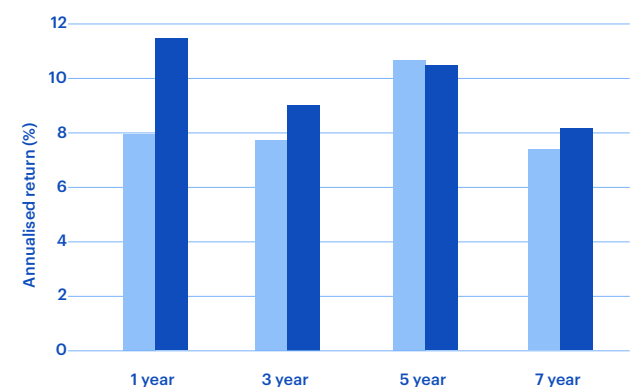
Growth Portfolio



Aggressive Portfolio



Global Equities Portfolio



Information on contributions and Plan participants

The following table sets out the numerical changes in membership for the KiwiSaver Plan during the year ended 31 March 2018.

	1 April 2017	31 March 2018
Members	14,585	14,996
Number of contributing Members	10,035	10,595
Number of non-contributing Members	4,550	4,401

Number of members who became Plan participants over the year **935**

Transfers from other plans	466
New Members	469

Number of members who ceased to be Plan participants over the year **524**

Retirement	86
Death	7
Transfer to other plans	406
Other reasons	25

	1 April 2017	31 March 2018
Plan members' accumulations	\$538,241,641	\$627,514,260
Plan participant numbers	14,585	14,996

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

Contribution Source	Amount (\$)	Number of Members
Member	36,951,739	9,837
Employer	21,466,115	9,686
Crown	5,308,223	11,052
Voluntary contributions	12,015,516	4,679
Transfers from KiwiSaver plans	9,518,485	535
Transfers from Superannuation plans	570,175	64
Transfers from Australian Superannuation plans	1,767,233	61

Changes relating to the Plan

Changes to the governing document

No changes were made to the Trust Deed for the Plan during the year.

Changes to the terms of offer of the Plan

There were no changes to the terms of offer of the Plan.

Changes to the Plan's Statement of Investment Policy and Objectives (SIPO)

The SIPO changed on 14 September 2017 to reflect the adoption of a socially responsible investment strategy for the Plan.

Our investment managers screen potential investments from an ethical perspective to ensure they meet the following criteria as an important part of our due diligence process.

We will not invest in companies whose principal business activity is the manufacture and sale of

armaments or tobacco; or the exploration, extraction, refining or processing of fossil fuels. In addition, the funds will not invest in any utility that primarily burns fossil fuels.

As part of the change, the benchmark allocations to alternative investments were reduced to 0% with these allocations applied to Australasian and International equities.

More information about our approach to responsible investment can be found at mas.co.nz/savings-and-investment/socially-responsible-investments.

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 transactions were entered into during the accounting period, that were not on arms-length terms.

Other information for particular types of managed funds

The following number of members of the Plan made a withdrawal permitted under the FMCA and the Trust Deed during the period 1 April 2017 to 31 March 2018:

Withdrawal type	Number of members
First home withdrawal	184
Financial hardship	16
Serious illness	5
Permanent emigration	10
Withdrawal on death	7
Retirement withdrawal	228

Portfolio	Unit prices at 31 March 2017	Unit prices at 31 March 2018
Cash	1.1412	1.1687
Defensive	1.2577	1.3174
Conservative	1.3248	1.3952
Balanced	1.3996	1.4839
Growth	1.4632	1.5623
Aggressive	1.5193	1.6331
Global Equities	1.5538	1.6758

Trustees' statement

- All benefits required to be paid from the Plan in accordance with the terms of the Trust Deed and the KiwiSaver scheme rules have been paid.
- The market value of Plan assets at the close of the financial year equalled the total value of benefits that would have been payable had all members of the Plan 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 close of the balance date.

Changes to persons involved in the Plan

Change to the Plan's Administration Manager

During 2017 the Superannuation administration business of Aon New Zealand was purchased by Link Market Services Limited. Link Market Services Limited became the Administration Manager and Securities Registrar of the Plan. This replacement process started during the previous financial year.

Changes to the Plan's Trustees

On 30 August 2017 Richard Tyler resigned as a Trustee of the Plan. Harley Aish became a Trustee of the Plan on 30 August 2017.

There were no changes to the investment manager, custodian, auditor or solicitor since the last annual report.

How to find further information

Further information about the Plan 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
- Fund policies

See business.govt.nz/disclose (search the offer register)

Scheme register

- Statement of Investment Policy and Objectives (SIPO)
- Trust Deed
- Financial statements
- Annual reports

See business.govt.nz/disclose (search the scheme register)

On request from the Trustees

You can also obtain a copy of the information on the Disclose scheme register or offer register, free of charge, by contacting us as indicated overleaf.

Contact details and complaints

Manager

The Trustees
Medical Assurance Society KiwiSaver Plan
19–21 Broderick Road
Johnsonville
Wellington 6037

Phone: 0800 800 627

Email: investments@mas.co.nz

FMA

Financial Markets Authority
Level 2
1 Grey Street
Wellington
New Zealand

Phone: 0800 434 566

Securities Registrar

Link Market Services Limited
Level 11
Deloitte Centre
80 Queen Street
Auckland 1010

Phone: 0800 627 738

Email: masinvest@linkmarketservices.com

If you have a complaint

Complaints may be made to the Trustees (as Manager) at the same address shown on the left.

If you have followed the Trustees' internal complaints procedure and you are dissatisfied with the outcome, you can get free independent assistance from the Dispute Resolution Scheme to which the Trustees belong:

Insurance & Financial Services Ombudsman Scheme

Level 8 Shamrock House
79–81 Molesworth Street
Wellington 6143

PO Box 10-845 Wellington

Phone: (04) 499 7612

You won't be charged a fee for any investigation into or resolution of a complaint.

Helping you be well informed

The MAS Investor Portal allows you to check your balance, transaction history and portfolio settings. To access the portal, go to mas.co.nz and click on "My Investments" at the bottom of the page.

For questions relating to the Investor Portal, please contact our administrator Link Market Services on **0800 627 738** or masinvest@linkmarketservices.com

Further information on Plan can be found at mas.co.nz/savings-and-investment/kiwisaver

Branches

North Shore

Ground Floor, Toll Building
Smales Farm Office Park
Takapuna
PO Box 33443
Fax 09 487 0449

Auckland

Level 2, Ecom Building
3 Ferncroft Street, Grafton
PO Box 9905
Fax 09 524 0101

Hamilton

62 Tristram Street
PO Box 436
Fax 07 839 4293

Wellington

19-21 Broderick Road, Johnsonville
PO Box 13042
Fax 04 494 7020

Christchurch

158 Leinster Road, Merivale
PO Box 36260
Fax 03 355 5407

Dunedin

27-29 Albany Street
PO Box 6365
Fax 03 474 1480

The logo consists of the lowercase letters "mas" in a bold, sans-serif font, centered within a white shield-like shape. This shape is set against a background of green and light green curved bands that sweep across the bottom left of the page.

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