

SIL Mutual Fund Employer Lump Sum Scheme

For the year ended 30 June 2021



SIL Mutual Fund ('SIL') is New Zealand's longest-established personal superannuation fund. It was established in 1959 to provide New Zealanders with an opportunity to plan and save for retirement.

SIL comprises two registered superannuation schemes, the SIL Mutual Fund Personal Lump Sum Scheme and the SIL Mutual Fund Employer Lump Sum Scheme.

This annual report is for the SIL Mutual Fund Employer Lump Sum Scheme (**the scheme**). The scheme was established as a registered superannuation scheme in June 2008.

The scheme closed to new members on 16 September 2016. The scheme continues to accept contributions from existing members. The trustee and manager of the scheme (**the trustee**) is Superannuation Investments Limited. The trustee is governed by a board of directors, which meets regularly throughout the year to oversee the administration and management of the scheme and that members' investments are managed in accordance with the trust deed. Further information about the directors of the trustee is available at silfunds.co.nz.

ANZ New Zealand Investments Limited (**ANZ Investments**) is the investment and administration manager of the scheme.

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Welcome

I'm pleased to present the SIL Mutual Fund Employer Lump Sum Scheme annual report for the year ended 30 June 2021.

It's been an extraordinary year, with each of us impacted in some way by the effects of the global pandemic.

Economies were impacted to varying degrees as COVID-19 continued to spread around the world. This was driven largely by the different responses of countries to the health emergency and several variants of the coronavirus that proved to be more transmissible.

Global equity markets started the year close to all-time highs, having recovered sharply from the early 2020 sell-off.

A record-breaking rebound for growth assets

Despite some volatility, equity markets continued to rise as prospects of the global economy reopening, supported by significant fiscal spending and accommodative monetary policy saw most share markets trade to all-time highs. These gains continued into 2021, with news that several vaccines had been granted emergency approval to fight COVID-19.

The strong showing in equity markets meant those funds invested in growth assets posted impressive gains for the year. Meanwhile, it wasn't as favourable for fixed income investors as the upbeat sentiment around the economic reopening and rising inflation expectations saw government bond yields rise – a scenario where bond prices tend to decline.

Despite the strong performance of equity markets, the emergence of the Delta variant of COVID-19 (which has seen some countries experience second and third waves of the virus) means that uncertainty remains high. It's a good reminder that ups and downs should always be expected as a part of investing.

In addition to strong performance, other developments this year include the following.

Change of Chairman

During the year Chairman and Director Mark Cross resigned after approximately 10 years with the scheme. Dr Edward Schuck was appointed as Chairman on 1 April 2021.

Award-winning performance

ANZ Investments received the 2020 Good Returns Fund Manager of the Year Award – Powered by Research IP*.

In the words of Research IP, this achievement "recognises ANZ Investments' long history of strong governance, industry best practice and performance over the 12-month judging period".

To ensure your financial plan is on track, I encourage you to contact your financial adviser to review your financial position.

It's important to discuss any changes in your financial situation. ANZ Investments will be happy to put you in touch with an adviser in your area if you need one.

* See page 17 for award disclaimer, and see anz.co.nz/investmentawards for full awards and ratings history.

Thank you for your continued support.
We appreciate having you in the scheme
and being able to help you achieve your
retirement goals.



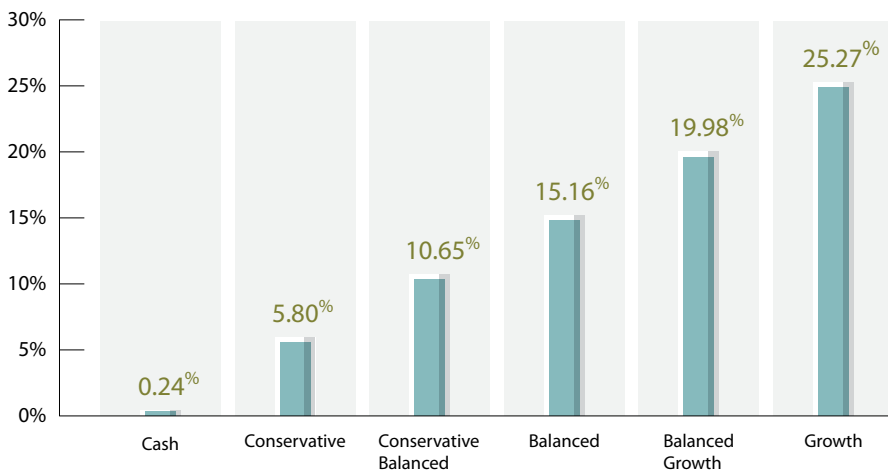
Dr Edward Schuck
Chairman,
Superannuation Investments Limited

“The strong showing in equity
markets meant those funds invested
in growth assets posted impressive
gains for the year.”

Performance summary

Fund performance

for the 12 months to 30 June 2021



Historical performance

at 30 June 2021

	1 year (%)	5 years (% p.a)	10 years (% p.a)
SIL Employer Cash Fund	0.24	1.09	1.63
SIL Employer Conservative Fund	5.80	4.60	5.67
SIL Employer Conservative Balanced Fund	10.65	6.32	7.16
SIL Employer Balanced Fund	15.16	7.97	8.60
SIL Employer Balanced Growth Fund	19.98	9.65	9.99
SIL Employer Growth Fund	25.27	11.21	11.26

Fund performance

for the 12 months to 30 June 2021



Historical performance

at 30 June 2021

	1 year (%)	5 years (% p.a)	10 years (% p.a)
SIL Balanced Plus Fund	20.19	9.82	9.68
SIL New Zealand Fixed Interest Fund	-2.01	2.94	4.07
SIL International Share Fund	29.28	16.00	12.98
SIL New Zealand Share Fund	8.60	12.70	13.99
SIL Cash Plus Fund	0.37	1.65	2.07

Performance is after fees (excluding administration fees charged directly to member accounts) and before tax. This is represented by changes in unit prices plus any applicable tax credits. Past performance is not indicative of future performance. Performance can be negative as well as positive.



Details of scheme

Name of the scheme

SIL Mutual Fund Employer Lump Sum Scheme.

Type of scheme

Restricted superannuation scheme.
The scheme is closed to new investors.

Trustee and manager

Superannuation Investments Limited
(trustee).

Investment and administration manager

ANZ New Zealand Investments Limited.

Product disclosure statement

As the scheme is closed to new investors, there is no product disclosure statement.

Fund updates

The scheme's latest fund updates for the year ended 30 June 2021 were made publicly available on 28 September 2021. These are available on the offer register at disclose-register.companiesoffice.govt.nz.

Financial statements and auditor's report

The scheme's latest financial statements for the 12 months ended 30 June 2021, and the auditor's report on those financial statements, were dated 28 October 2021 and lodged with the Registrar of Financial Service Providers on 29 October 2021. See page 16 for more details.

Information on contributions and scheme participants

The information in this document relates to the 12 months from 1 July 2020 to 30 June 2021 (the year).

Membership

The table below provides a summary of the numerical changes in the membership of the scheme during the year.

Membership movements	Number of members	Total amount (\$'000)
Scheme members at 1 July 2020		
Contributing members	311	
Non-contributing members*	138	
Total members at 1 July 2020	449	
Total members' accumulation at 1 July 2020		44,438
Plus new members		
Transfers from other schemes	–	
Other new members	–	
Total new members during the year	–	
Less exited members		
Retirement	19	
Death	–	
Transfers to other schemes	–	
Other reasons	19	
Total members exited during the year	38	
Scheme members at 30 June 2021		
Contributing members	270	
Non-contributing members*	141	
Total scheme members at 30 June 2021	411	
Total members' accumulation at 30 June 2021		49,631

* Non-contributing member means a member for whom no contributions have been received in the last two months of the reporting period.

Contributions

The table below provides a summary of the contributions received during the year by way of:

Contribution type	Number of members	Total amount (\$000)
Member contributions	272	1,120
Employer contributions	293	704
Total contributions		1,824

Changes relating to the scheme

This section describes any material changes to the scheme's nature, investment objectives and strategy, and management during the year.

Changes to the trust deed

The trust deed was amended on 18 November 2020, with effect from 30 January 2021, with minor updates made due to the commencement of the Trusts Act 2019.

Changes to the statement of investment policy and objectives (SIPO)

The SIPO was updated on 15 October 2020 to reflect:

- the appointment of Northern Trust Investments, Inc. for the management of a portion of the international fixed interest asset class, replacing Vanguard Investments Australia Limited
- a change to the market indices for the New Zealand fixed interest and Australasian equities asset classes, and
- that a liquidity risk management framework is maintained, which includes strategies and controls to manage liquidity risk.

The SIPO was also updated on 28 June 2021 to reflect:

- the addition of two new underlying funds in the international fixed interest asset class: the ANZ Wholesale Australian Sovereign Fund and the ANZ Wholesale Australian Credit Fund
- non-material changes to some target investment mixes, ranges and market indices, and
- non-material changes to some wordings and definitions.

Changes to the nature or scale of related party transactions

There were no material changes to the nature or scale of related party transactions entered into for the scheme during the year. All related party transactions were conducted on arm's-length terms.



Other information for particular types of managed funds

Withdrawals

The table below sets out the withdrawals made from the scheme during the year.

Withdrawal reason	Number of members	Total amount (\$000)
Partial withdrawals*	5	196
Full withdrawals*	20	1,181
Death**	–	–
Retirement**	25	2,184
Transfers to other registered schemes	–	–
Total withdrawals		3,561

* Includes hardship, permanent emigration, serious illness and other voluntary member withdrawals.

** Includes fully and partially processed withdrawals.

Unit prices

The table below sets out the unit prices for the funds at the start and end of the year.

Fund	At 30 June 2020	At 30 June 2021
SIL Employer Cash Fund	1.2612	1.2642
SIL Employer Conservative Fund	1.8723	1.9795
SIL Employer Conservative Balanced Fund	2.0273	2.2407
SIL Employer Balanced Fund	2.1799	2.5065
SIL Employer Balanced Growth Fund	2.3026	2.7573
SIL Employer Growth Fund	2.3956	2.9940
SIL Balanced Plus Fund	4.9299	5.9139
SIL New Zealand Fixed Interest Fund	3.4178	3.3491
SIL New Zealand Share Fund	8.1586	8.8013
SIL International Share Fund	4.4086	5.6875
SIL Cash Plus Fund	2.2952	2.3036

Trustee's statement

Superannuation Investments Limited, as trustee of the scheme, confirms that:

- all the contributions required to be made to the scheme in accordance with the terms of the trust deed have been made
- all the benefits required to be paid from the scheme in accordance with the terms of the trust deed have been paid, and
- the market value of the scheme property at 30 June 2021 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 30 June 2021.

Changes to persons involved in the scheme

Trustee and manager

Superannuation Investments Limited was the trustee and manager of the scheme throughout the year.

The following changes to the directors of the trustee and manager occurred during the year:

- Louise Edwards was appointed as a director on 1 October 2020.
- Samantha Sharif was appointed as a director on 1 October 2020.

- Mark Cross resigned as Chairman and director on 31 March 2021.
- Dr Edward Schuck was appointed as Chairman on 1 April 2021.

Auditor

KPMG was the auditor of the scheme throughout the year.

How to find further information

On disclose

Disclose is a website that contains two registers – an offer register and a scheme register.

To find the fund updates, go to:



disclose-register.companiesoffice.govt.nz

Click 'Search for an offer' and search for 'SIL Mutual Fund Employer'

To find the SIPO, trust deed and financial statements, go to:



disclose-register.companiesoffice.govt.nz

Click 'Search for a scheme' and search for 'SIL Mutual Fund Employer'

On our website

Other valuable information and resources to help you manage your investment, including transaction forms, fund performance, unit prices, and annual fund updates are available on the SIL website:



silfunds.co.nz

You can also obtain a copy of any of the above information on request and free of charge by contacting ANZ Investments (contact details are on the next page).

Contact details and complaints

Trustee and manager:

Superannuation Investments Limited


Registered office:
c/- Dunne Consulting Group Limited
Level 1, 41 Taharoto Road
Takapuna
Auckland 0622
Attn: Secretary – Superannuation
Investments Limited


 09 415 7530

Investment manager, administration manager and scheme registrar:

ANZ New Zealand Investments Limited

ANZ Centre, 23-29 Albert Street
Auckland
Freepost 324
PO Box 7149, Victoria Street West
Auckland 1142
Attn: Investments team

 0800 736 034 or +64 9 356 4000

 service@anzinvestments.co.nz

If you have a complaint

For any problems with or complaints about the scheme, contact your financial adviser first. If you don't have a financial adviser,

or your financial adviser has been unable to help you, please let ANZ Investments know using the contact details on this page. As the administration manager of the scheme, they are committed to resolving your complaint as quickly as possible.


If ANZ Investments is unable to resolve your complaint, you may choose to contact the trustee at the contact details on this page.


If you're still not satisfied, you can get free independent assistance from the following dispute resolution scheme.

Dispute resolution scheme:

The Banking Ombudsman Scheme

Freepost 218002
PO Box 25327, Featherston Street
Wellington 6146

 0800 805 950

 help@bankomb.org.nz

You won't be charged a fee by ANZ Investments, the trustee or the dispute resolution scheme for investigating or resolving a complaint.

Fund Manager of the Year Awards were announced by Good Returns Powered by Research IP on 4 December 2020. These awards should not be read as a recommendation by Research IP. For further advice on the relevance of this award to your personal situation, please consult your financial adviser, or visit research.ip.com/awards.

Investments in the scheme are not deposits in ANZ Bank New Zealand Limited, Australia and New Zealand Banking Group Limited or their subsidiaries (together **ANZ Group**), nor are they liabilities of ANZ Group. ANZ Group does not stand behind or guarantee the obligations of ANZ New Zealand Investments Limited or Superannuation Investments Limited. Investments are subject to investment risk, including possible delays in repayment, and loss of income and principal invested. ANZ Group will not be liable to you for the capital value or performance of your investment. Your investment in the scheme is not guaranteed by ANZ Group, Superannuation Investments Limited, any of their directors or any other person.

