

# SIL Mutual Fund Personal Lump Sum Scheme

For the 12 months ended 30 June 2020



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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 Personal Lump Sum Scheme (**the scheme**).

The scheme closed to new members on 16 September 2016. 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](http://silfunds.co.nz).

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

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# Welcome

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I'm pleased to present the SIL Mutual Fund Personal Lump Sum Scheme annual report for the year ended 30 June 2020.

It was another positive year for members of the scheme, despite some periods of high volatility on the back of the COVID-19 outbreak. In the first few months of 2020, share markets endured a significant sell-off as the coronavirus caused widespread economic shutdowns. However, as economies slowly began to reopen and governments introduced significant stimulus packages, share markets staged a strong recovery.

Meanwhile, bond markets also saw strong gains as central banks cut interest rates and introduced significant bond buying programmes to aid the slowing economy.

All funds had positive performance for the year ended 30 June 2020.

Since the year ended 30 June, we have seen a continued rise in share markets and positive returns in bond markets. This reflected government and central bank support in the form of fiscal and monetary stimulus, and many economic indicators continued to improve.

Together with ANZ Investments, I'm pleased to highlight the following developments during the year.

- From 1 January 2020, we've reduced the management fee we charge on the SIL funds by between 0.015% and 0.04%. The management fee is the fee charged for administering and managing the investments of the SIL funds.
- ANZ Investments has been awarded Morningstar's Overall New Zealand Fund Manager of the Year award for 2020. The New Zealand Fund Manager of the Year represents the New Zealand Fund Manager that, in Morningstar's opinion, has achieved the highest level of fund management excellence.
- ANZ Investments has completed their second annual round of reporting requirements for the Principles of Responsible Investment (PRI). In the report, ANZ Investments improved their score in four of the categories reported on through the PRI and maintained their score across all other categories.
- ANZ Investments also introduced a climate change framework, which guides their investment approach on managing the risks and opportunities that climate change represents. As part of the framework, ANZ Investments have excluded companies that derive more than 10% of their revenue from the production of thermal coal or from the production of oil and gas from unconventional sources (for example, shale oil extraction).

For more up-to-date information, please look out for the quarterly Fund Watch, which includes performance commentary as well as other information to help you manage your investment.

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I'd like to remind you to contact your financial adviser to review your personal financial plan. It's important to discuss any changes in your situation, as well as considerations for the future. ANZ Investments will be happy to put you in touch with an adviser in your area if you need one.

Thank you for your continued support. We appreciate having you in the scheme and look forward to helping you achieve financial security in retirement.



**Mark Cross**  
Chairman,  
Superannuation Investments Limited

"It was another positive year for members of the scheme, despite some periods of high volatility on the back of the COVID-19 outbreak."



# Performance summary

## Fund performance

for the 12 months to 30 June 2020



## Historical performance

at 30 June 2020

	1 year (%)	5 years (% p.a.)	10 years (% p.a.)
SIL Balanced Plus Fund	3.16	6.58	9.06
SIL New Zealand Fixed Interest Fund	5.98	4.79	4.97
SIL International Share Fund	6.79	8.53	11.18
SIL New Zealand Share Fund	13.13	14.58	14.78
SIL Cash Plus Fund	1.44	2.03	2.33

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

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## **Name of the scheme**

SIL Mutual Fund Personal 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 2020 were made publicly available on 28 September 2020. These are available on the offer register at [disclose-register.companiesoffice.govt.nz](https://disclose-register.companiesoffice.govt.nz).

## **Financial statements and auditor's report**

The scheme's latest financial statements for the 12 months ended 30 June 2020, and the auditor's report on those financial statements, were dated 27 October 2020 and lodged with the Registrar of Financial Service Providers on 29 October 2020. See page 12 for more details.

# Information on contributions and scheme participants

The information in this document relates to the 12 months from 1 July 2019 to 30 June 2020 (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)
<b>Scheme members at 1 July 2019</b>		
Contributing members*	483	
Non-contributing members	2,811	
<b>Total members at 1 July 2019</b>	<b>3,294</b>	
<b>Total members' accumulation at 1 July 2019</b>		<b>146,300</b>
<b>Plus new members</b>		
Transfers from other schemes	–	
Other new members	–	
<b>Total new members during the year</b>	<b>–</b>	
<b>Less exited members</b>		
Retirement	147	
Death	54	
Transfers to other schemes	–	
Other reasons	5	
<b>Total members exited during the year</b>	<b>206</b>	
<b>Scheme members at 30 June 2020</b>		
Contributing members	437	
Non-contributing members**	2,651	
<b>Total scheme members at 30 June 2020</b>	<b>3,088</b>	
<b>Total members' accumulation at 30 June 2020</b>		<b>143,370</b>

\* The number of contributing members and total members at 30 June 2019 for the scheme's annual report for the year to 30 June 2019 was incorrect. The correct numbers are set out above under 'Members at 1 July 2019'.

\*\* Non-contributing member means a member for whom no contributions have been received in the previous two months.

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## 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*	551	3,716
Employer contributions	–	–
<b>Total contributions</b>		<b>3,716</b>

\* All member contributions are voluntary.

# Changes relating to the scheme

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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 27 February 2020 to introduce the ability for members to make significant financial hardship withdrawals. For more information about hardship withdrawals, or to request a form, contact your financial adviser or call ANZ Investments on 0800 736 034.

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

The SIPO was updated on 15 May 2020 to reflect:

- the addition of a new underlying fund, the ANZ Wholesale International Aggregate Bond Fund in the international fixed interest asset class within the SIL Balanced Plus Fund. The fund is externally managed by PIMCO Australia Pty Limited, and invests in a broad mix of investment grade fixed interest securities

- the addition of a new underlying fund, the ANZ Wholesale New Zealand Fixed Interest Fund in the New Zealand fixed interest asset class, to invest in a broad mix of New Zealand investment grade fixed interest securities, including the potential for a portion of Australian investment grade fixed interest securities, and
- non-material changes to some fund descriptions, investment objectives and market indices.

## **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	189
Full withdrawals*	5	323
Death	54	4,275
Retirement**	252	9,165
Transfers to other registered schemes	–	–
<b>Total withdrawals</b>		<b>13,952</b>

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

\*\* Includes partial and full retirement 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 2019	At 30 June 2020
SIL Balanced Plus Fund	4.7887	4.9299
SIL New Zealand Fixed Interest Fund	3.2251	3.4178
SIL New Zealand Share Fund	7.2638	8.1586
SIL International Share Fund	4.1375	4.4086
SIL Cash Plus Fund	2.2627	2.2952

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## 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 2020 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 2020.

# Changes to persons involved in the scheme

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## **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 since 1 June 2019:

- Glennis Webber resigned as a director of the trustee and manager on 30 June 2020

- Louise Edwards was appointed as a director of the trustee and manager on 1 October 2020
- Samantha Sharif was appointed as a director of the trustee and manager on 1 October 2020.

## **Auditor**

KPMG was the auditor of the scheme throughout the year.



# How to find further information

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## 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 offers' and search for 'SIL Mutual Fund Personal'

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



**disclose-register.companiesoffice.govt.nz**

Click 'Search schemes' and search for 'SIL Mutual Fund Personal'

## 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

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## **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, Wellesley Street  
Auckland 1141  
Attn: Investments team

 0800 736 034 or +64 9 356 4000

 [service@anzinvestments.co.nz](mailto: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: Insurance and Financial Services Ombudsman Scheme**

Level 2, 70 The Terrace  
PO Box 10-845  
Wellington 6143

 0800 888 202

 [info@ifso.nz](mailto:info@ifso.nz)

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

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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.

