



SIL MUTUAL FUND PERSONAL LUMP SUM SCHEME

ANNUAL REPORT
FOR THE 12 MONTHS
ENDED 30 JUNE 2018



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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 ensure 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**) has been appointed by the trustee to be the investment and administration manager (the **investment manager**) of the scheme.

"All of the funds within the scheme delivered positive performance over the period, with funds that have a higher weighting to growth assets, such as shares and listed property, doing particularly well."

I'm pleased to present the SIL Mutual Fund Personal Lump Sum Scheme annual report for the year ended 30 June 2018.

The performance of investment markets over this period has been very strong. International shares were the stand-out performers – a result of growth in the world's major economies and a better environment for company earnings. New Zealand shares also did well, thanks to the solid performance of several local companies. Global and New Zealand bonds delivered more modest returns and cash delivered low but positive returns for the year.

All of the funds within the scheme delivered positive performances over the period, with funds that have a higher weighting to growth assets, such as shares and listed property, doing particularly well. Please see page 4 for more information on returns.

Together with ANZ Investments, I am pleased to highlight the following developments over the year.

- We've introduced a quarterly video featuring investment manager Stuart Millar. Each quarter, Stuart discusses the recent performance of financial markets, returns for the SIL Balanced Plus Fund, and ANZ Investments' latest outlook.
- There's been significant investment into a new registry system to improve efficiency in the processing of transactions for members – now and into the future.

- ANZ Investments has extended its commitment to responsible investing by signing up to the Principles of Responsible Investment, a United Nations-supported framework that helps companies integrate environmental, social and governance factors into their investment processes.

Keep a look out for our Fund Watch publication, which is sent to you each quarter. Fund Watch provides key information about how your fund(s) has performed, as well as how to get the most out of your investment. Over the year you will also receive an annual account statement and tax certificate.

As always, I encourage you to contact your financial adviser to discuss your personal financial plan – especially if your situation changes. 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 to achieve your financial goals.

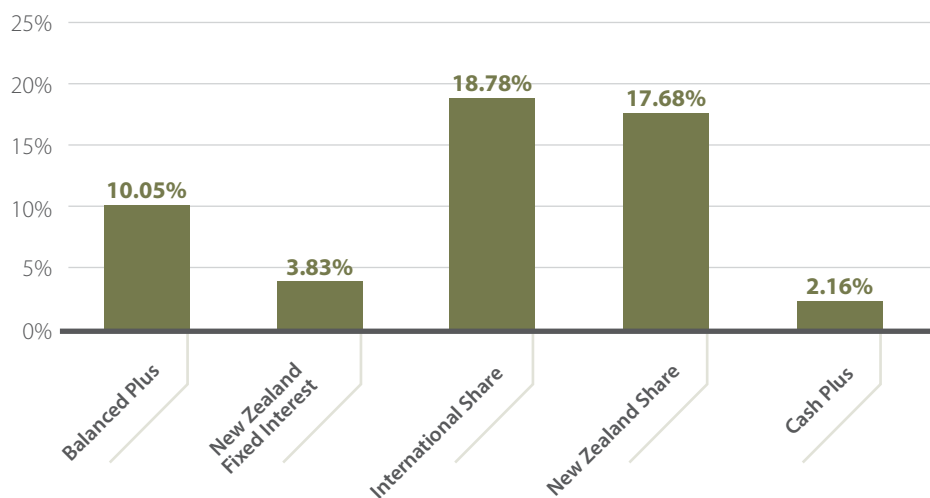


Mark Cross
Chairman,
Superannuation Investments Limited

PERFORMANCE SUMMARY

FUND PERFORMANCE

FOR THE 12 MONTHS TO 30 JUNE 2018



HISTORICAL PERFORMANCE

AT 30 JUNE 2018

	1 year (%)	5 years (% p.a.)	10 years (% p.a.)
SIL Balanced Plus Fund	10.05	9.61	8.10
SIL New Zealand Fixed Interest Fund	3.83	3.96	4.76
SIL International Share Fund	18.78	13.37	8.73
SIL New Zealand Share Fund	17.68	14.65	11.75
SIL Cash Plus Fund	2.16	2.39	2.74

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 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
(**investment manager**).

PRODUCT DISCLOSURE STATEMENT

As the scheme is a restricted scheme, there is no product disclosure statement.

FUND UPDATES

The scheme's latest fund updates for the year ended 30 June 2018 were made publicly available on 27 September 2018. 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 2018, and the auditor's report on those financial statements, were dated 24 October 2018 and lodged with the Registrar on 26 October 2018. See page 12 for more details.

INFORMATION ON CONTRIBUTIONS AND SCHEME PARTICIPANTS

MEMBERSHIP

The table below provides a summary of the numerical changes in the membership of the scheme during the 12 months from 1 July 2017 to 30 June 2018 (the **year**).

MEMBERSHIP MOVEMENTS	Number of members	Total amount (\$'000)
MEMBERS AT 1 JULY 2017		
Contributing members	581	
Non-contributing members	3,212	
Total members at 1 July 2017	3,793	
Total members' accumulation at 1 July 2017		164,930
PLUS NEW MEMBERS		
Transfers from other schemes	–	
Other new members	–	
Total new members during the year	–	
LESS EXITED MEMBERS		
Retirement	198	
Death	54	
Transfers to other schemes	–	
Full withdrawals for other reasons	33	
Total members exited during the year	285	
MEMBERS AT 30 JUNE 2018		
Contributing members	513	
Non-contributing members	2,995	
Total members at 30 June 2018	3,508	
Total members' accumulation at 30 June 2018		167,402

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	785	6,735
Employer contributions	–	–
Transfers from other schemes	–	–
Total contributions		6,735

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 SIPO OF THE SCHEME'S FUNDS

The SIPO (statement of investment policy and objectives) was updated on 22 December 2017 to include information on ANZ Investments' responsible investment framework and changes to the investment objectives for the SIL Cash Plus Fund and SIL New Zealand Fixed Interest Fund.

The SIPO was updated again on 9 April 2018 to remove the SIL Pacific Basin Share Fund, which was wound up on 21 February 2018. The SIPO was also updated to reflect the change in the external manager for international property assets from CBRE Clarion Securities LLC to Resolution Capital Limited.

CHANGES TO THE NATURE OR SCALE OF THE RELATED PARTY TRANSACTIONS

There were no material changes to the nature or scale of the 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*	64	3,470
Full withdrawals*	33	1,617
Death	54	3,684
Retirement	431	11,287
Transfers to other registered schemes	–	–
Total withdrawals		20,058

* Includes hardship, permanent emigration, serious illness and other voluntary member 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 2017	At 30 June 2018
SIL Balanced Plus Fund	4.0744	4.4720
SIL New Zealand Fixed Interest Fund	2.8977	3.0086
SIL New Zealand Share Fund	5.4622	6.3511
SIL International Share Fund	3.2268	3.8229
SIL Pacific Basin Share Fund	2.2972	–
SIL Cash Plus Fund	2.1671	2.2140



CHANGES TO PERSONS INVOLVED IN THE SCHEME

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 2018 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 2018.

TRUSTEE

Before 12 November 2016, Superannuation Investments Limited was the trustee of the scheme. After 12 November 2016, Superannuation Investments Limited became the trustee and manager of the scheme.

Directors of the trustee

The directors of the trustee as at 30 June 2018 were:

- Mark Cross, Chairman
- The Rt Hon Sir William Birch
- Paul Fyfe
- Dr Edward Schuck
- Glennis Webber

There were no changes to the directors of the trustee during the year.

AUDITOR

KPMG was the auditor to 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 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

TRUSTEE Superannuation Investments Limited

Registered office:
c/- Dunne Consulting Group Limited
Level 2, Unit F4
27-29 William Pickering Drive
Auckland 0632


 09 451 7530

Registered office of SIL:
23-29 Albert Street, Auckland 1010

INVESTMENT MANAGER ANZ New Zealand Investments Limited

ANZ Centre, 23-29 Albert Street, Auckland
Freeport 324, PO Box 7149, Wellesley Street
Auckland 1141

 0800 736 034 or +64 9 356 4000

 service@anzinvestments.co.nz

IF YOU HAVE A COMPLAINT


For any problems or complaints, 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 the left. 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 the left.

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

81 Molesworth Street, Wellington
PO Box 10-845
Wellington 6143

 0800 888 202

 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.

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.

