



Superannuation Master Trust



NZ Fixed Interest

# Fund Update

for the period ended 30 September 2020

This fund update was first made publicly available on 18 December 2020

## What is the purpose of this update?

This document tells you how the NZ Fixed Interest fund has performed and what fees were charged. The document will help you to compare the fund with other funds. AMP Wealth Management New Zealand 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

This is a single sector fund with exposure to fixed interest securities issued by the New Zealand government or their agencies, the Reserve Bank of New Zealand, local authorities, registered banks and corporations located mainly in New Zealand but may include international securities. The fund may also have exposure to financial derivative instruments for hedging. The fund aims to primarily preserve the value of investment with some capital growth.

Total value of the fund	\$5,640,432
Number of investors in the fund	225
The date the fund started	1 March 2000

## What are the risks of investing?

Risk indicator for the NZ Fixed Interest fund:



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](https://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 the past 5 years. 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.

### Specific risk

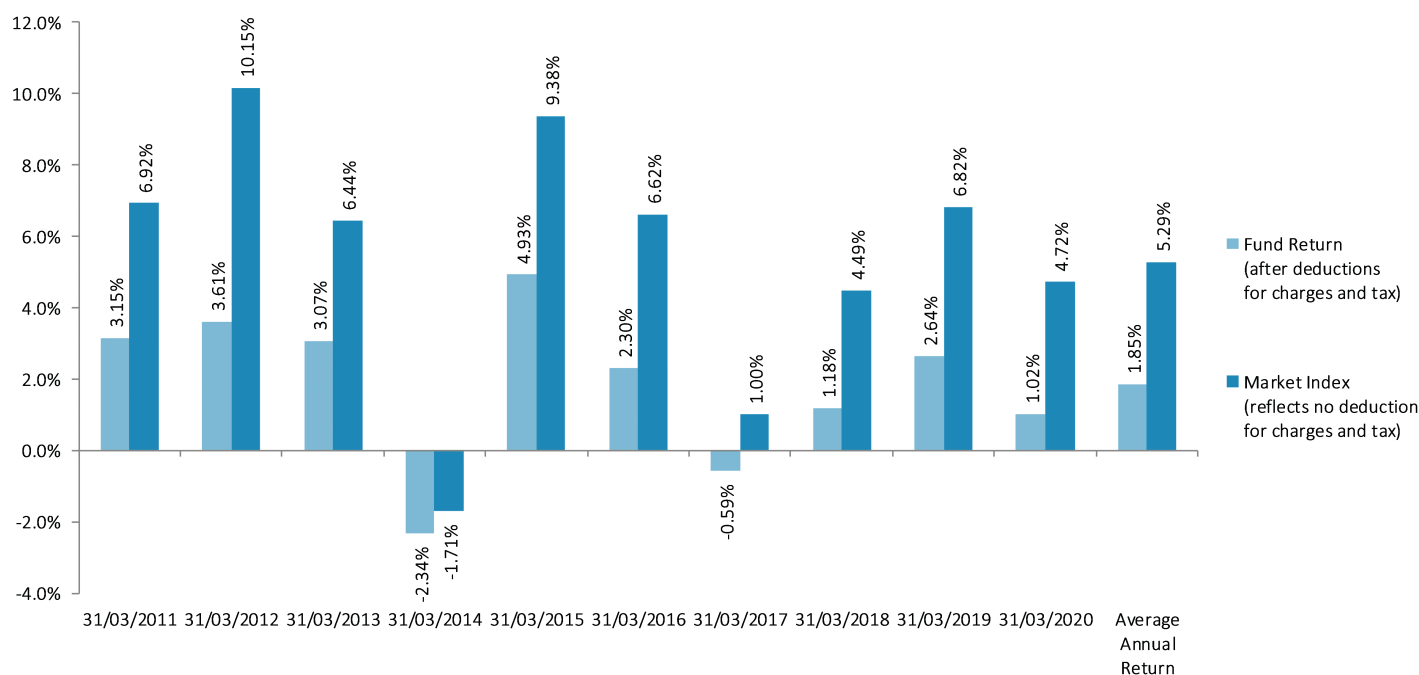
In addition to the general investment risks, you should be aware this fund is concentrated in a particular asset class and not diversified across multiple asset classes. At any given point, market conditions that cause one asset class to perform well may cause another asset class to perform poorly. This could result in negative or lower than expected returns compared to a fund which is diversified across multiple asset classes.

## How has the fund performed?

	Average over past 5 years	Past year
<b>Annual return</b> (after deductions for charges and tax)	1.63%	1.67%
<b>Annual return</b> (after deductions for charges but before tax)	2.24%	2.30%
<b>Market index annual return</b> (reflects no deduction for charges and tax)	5.01%	5.03%

The market index annual return is based on the Bloomberg NZBond Composite 0+ Yr Index. Additional information about the market index is available on the offer register at [disclose-register.companiesoffice.govt.nz](https://disclose-register.companiesoffice.govt.nz). Index disclaimers can be found on the AMP website at [amp.co.nz/indexdisclaimers](https://amp.co.nz/indexdisclaimers).

## 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 30 September 2020.

**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 NZ Fixed Interest fund are charged fund charges. In the year to 30 September 2020 these were:

	% net asset value
<b>Total fund charges (estimated)<sup>1</sup></b>	2.90%
Which are made up of -	
<b>Total management and administration charges (estimated)</b>	2.90%
Including -	
Manager's basic fee (estimated) <sup>2</sup>	2.80%
Other management and administration charges (estimated) <sup>3</sup>	0.10%
<b>Total performance-based fees</b>	0.00%
<b>Other charges</b>	<b>Dollar amount per investor or description of how charge is calculated</b>
Member fee <sup>4</sup>	\$37.30

Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). 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

Craig 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, Craig received a return after fund charges were deducted of \$167.00 (that is 1.67% of his initial \$10,000). Craig also paid \$37.30 in other charges. This gives Craig a total return after tax of \$129.70 for the year.

## What does the fund invest in?

### Actual investment mix<sup>5</sup>

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



### Target investment mix

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

Asset Type	Allocation
Cash and cash equivalents	0.00%
New Zealand fixed interest	100.00%
International fixed interest	0.00%
Australasian equities	0.00%
International equities	0.00%
Listed property	0.00%
Unlisted property	0.00%
Commodities	0.00%
Other	0.00%

### Top 10 investments<sup>5</sup>

Name	Percentage of fund net assets	Asset Type	Country	Credit rating (if applicable)
1 New Zealand Government bond maturing 20 Apr 29	8.54%	New Zealand fixed interest	New Zealand	AA+
2 New Zealand Government bond maturing 15 Apr 37	7.92%	New Zealand fixed interest	New Zealand	AA+
3 New Zealand Government bond maturing 15 Apr 27	6.88%	New Zealand fixed interest	New Zealand	AA+
4 New Zealand Government bond maturing 14 Apr 33	5.22%	New Zealand fixed interest	New Zealand	AA+
5 New Zealand Government bond maturing 15 May 31	4.42%	New Zealand fixed interest	New Zealand	AA+
6 New Zealand Local Government Funding Agency bond maturing 15 Apr 25	3.42%	New Zealand fixed interest	New Zealand	AA+
7 New Zealand Government Inflation Linked bond maturing 20 Sep 25	3.23%	New Zealand fixed interest	New Zealand	AA+
8 International Bank for Reconstruct bond maturing 24 Jan 24	2.50%	New Zealand fixed interest	New Zealand	AAA
9 Asian Development Bank bond maturing 17 Jan 23	1.76%	New Zealand fixed interest	New Zealand	AAA
10 Kiwibank Ltd bond maturing 14 Nov 22	1.70%	New Zealand fixed interest	New Zealand	A+

The top 10 investments make up 45.59% of the fund.

## Currency hedging

The fund will (or will invest in underlying funds that will) hedge foreign currency exposure back to New Zealand dollars.

## Key personnel

This shows the directors and employees who have the most influence on the investment decisions of the fund.

Name	Current position	Time in current position	Other current position	Time in other current position
Timothy Pritchard	Investment Committee Member	1 year and 6 months	General Counsel, AMP Wealth Management New Zealand	2 years and 4 months
Jeffery Darren Ruscoe	Investment Committee Member	1 year and 6 months	Acting Chief Executive, AMP Wealth Management New Zealand	0 years and 2 months
Blair Robert Vernon	Investment Committee Member	9 years and 3 months	Acting Chief Executive, AMP Australia	0 years and 2 months
Mark David Ennis	Investment Committee Member	0 years and 2 months	Managing Director, AdviceFirst Limited	0 years and 7 months

## Further information

You can also obtain this information and some additional information from the offer register at [disclose-register.companiesoffice.govt.nz](https://disclose-register.companiesoffice.govt.nz).

## Notes

- 1 The total fund charges are inclusive of any applicable GST.
- 2 The Manager's basic fee has been estimated using the maximum amount payable by an investor. Lower fees may apply to investors depending on when they joined, whether their account is locked-in and if they negotiated an ongoing fee with their adviser. To find out what fees are applicable to you, please contact your Adviser or AMP.
- 3 The other management and administration charges include estimates of underlying fund charges provided by underlying fund managers. The balance dates of the underlying fund(s) do not align with the balance date of the fund. To estimate the charges, AMP includes the underlying fund charges as at the relevant underlying fund(s) balance date, adjusted (where required) to reflect any material changes advised to AMP by the relevant underlying manager as having occurred during the intervening period.
- 4 Member fees were charged between 1 October 2019 and 31 July 2020 but only applied to some investors. To find out whether member fees applied to you in this period, please contact your Adviser or AMP. From 1 August 2020 onwards, member fees have not been charged to any investor of the Superannuation Master Trust.
- 5 The actual investment mix and top ten investments have been calculated excluding cash and cash equivalents held for operational purposes.

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