

Aon Master Trust

Annual Report 2022



Report of the Manager

Dear members

We are pleased to bring you the annual report for the Aon Master Trust (Scheme) for the year ended 31 March 2022.

It was an eventful year for the Aon Master Trust with the sale of the Scheme to Fisher Funds. While there have been changes behind the scenes, it's been business as usual for our helpdesk and investment managers. You are being looked after by the same people, who can be contacted in the usual ways.

Investment markets over the financial year

The year to March 2022 started with the continued recovery in markets following the outbreak of Covid-19 in early 2020. Markets were initially boosted by optimism over Covid-19 vaccine roll-outs, support from governments and central banks, and improving economic data. However, markets reversed some of their gains in the first quarter of 2022 as geopolitical risk took centre stage with Russia invading Ukraine. Furthermore, major central banks continued to take action as inflation rates worldwide rose rapidly.

Shares generally performed well over the fiscal year, despite the challenges of Q1 2022, with markets supported as lockdowns started to ease and many countries started to reopen borders. The New Zealand share market fared less well, with the NZX 50 down over the year, as investors were generally more focused on stocks positioned for economic recovery.

Bonds (both domestic and global) delivered negative returns over the year, with interest rate rises and expectations of further increases to control inflation, reducing the value of bonds.

Geopolitical Risk

The Russian invasion of Ukraine in February 2022 created significant market volatility and economic uncertainty. G7 sanctions against Russia are likely to slow economic growth this year and cause further supply chain disruption. While the US has banned Russian oil and gas imports, the picture in Europe is more complicated given its dependence on Russian oil and gas.

Inflation Risk

New Zealand's Consumer Price Index increased by 6.9% over the year to March 2022 - the highest level of inflation in more than 30 years. Like many central banks, the RBNZ is battling to control inflation. To try and bring it back to the target range of 1% to 3% over the medium term, the RBNZ has indicated that it will continue to increase the Official Cash Rate, potentially reaching 3.9% by mid-2023.

Outlook

Central banks have pushed markets lower this year, raising interest rates and signalling considerably higher rates than initially expected. This is a rare reversal in tone after many years of market-boosting monetary easing. The inflation risk upsetting central banks today is complex and varied across economies. Bringing inflation to target and keeping it there will be hard without some economic hardships or risk of recession.

Corporate profits have been strong, but look to be under pressure as people cut back on spending. Profits tend to follow cycles which can cause doubts for shares if an economic slowdown turns into a recession.

For the year ahead, continuing geopolitical tensions, climate change and pandemic risks all have uncertain outcomes. Diversifying your investments is helpful to navigate these conditions and we recommend keeping in touch with your financial adviser to review your situation.

We are committed to the ongoing success of the Aon Master Trust and helping you on your path to financial security in retirement.



Helen McKenzie

on behalf of the Manager
Superannuation Management Nominees Limited

Date: 30 June 2022

Details of Scheme

The name of the Scheme is the Aon Master Trust. The Scheme is classified as a restricted workplace savings scheme. For the purposes of registration, at 31 March 2022 the Scheme also had a legacy scheme section.

The Aon Master Trust is a defined contribution scheme.

Superannuation Management Nominees Limited is the manager (Manager) and trustee of the Aon Master Trust.

To invest in the Scheme, a member's employer must have established a workplace savings plan (Plan) under the Scheme.

The date of the most recent product disclosure statement (PDS) is 1 December 2021. The PDS has an "open for applications" status on the Disclose Register. For those Plans that are open for membership, a supplement accompanies the PDS which includes important information about that Plan.

The latest fund updates for each fund within the Scheme are dated 31 March 2022. The latest financial statements for the Scheme and auditor's report have been lodged on the Disclose Register and are available at disclose-register.companiesoffice.govt.nz.

Information on contributions and scheme participants

Membership summary

The following table sets out membership information for the year ended 31 March 2022.

	Members
Members at 1 April 2021	2,277
Total new members	197
Transfers from other schemes	0
Other new members	197
Total exits	(245)
Retirements	(37)
Deaths	(0)
Transfers to other schemes	(0)
Other withdrawals	(208)
Members at 31 March 2022	2,229

Contribution information

The following table sets out the contribution arrangements for the year ended 31 March 2022.

Membership	Number of members at 1 April 2021	Number of members at 31 March 2022
Contributing members	1,908	1,731
Non-contributing members	369	498

The total amount of contributions received during the year ended 31 March 2022 was \$17.48 million in respect of 2,036 members. The following table provides further information on the types of contributions to which the total amount relates.

Contributions	Amount \$000,000	Number of members
Member contributions	\$9.22	1,884
Employer contributions	\$7.16	1,975
Member voluntary additional contributions	\$1.10	258

Amount of accumulations

The following table sets out the total amount of accumulations and membership it relates to for the year ended 31 March 2022.

Date	Amount \$000,000	Number of members
1 April 2021	\$210.39	2,277
31 March 2022	\$208.87	2,229

Changes relating to the Scheme

Effective from 1 December 2021, Fisher Funds Management Limited (Fisher Funds) acquired the Scheme by purchasing 100% of the shares of the Manager (Superannuation Management Nominees Limited).

During the year ended 31 March 2022 no amendments were made to the Scheme's trust deed.

The Scheme's PDS and statement of investment policy and objectives (SIPO) were updated effective 1 December 2021.

The main changes to the PDS were:

- To reflect the sale of the Scheme to Fisher Funds, and the change in administration manager, consultant and investment manager from Aon New Zealand to Fisher Funds
- Changes to estimated annual fund charges for some funds (resulting in a fee reduction)

The main changes to the SIPO were:

- To reflect the sale of the Scheme to Fisher Funds, and the change in investment manager
- To reflect changes in the target mix and permitted ranges of the ANZ Conservative, Balanced and Growth funds
- To reflect a change to the permitted range of international shares investments in the Nikko Balanced and Growth funds
- To reflect a change in the target mix (to Australasian shares and international shares investments) of the Milford Active Growth Wholesale Fund
- To update the SIPO for changes in the target mixes of the Russell LifePoints® Target Date funds

There were the following material changes in related party transactions during the year:

- The Manager appointed Fisher Funds as the Scheme's administration manager, consultant and investment manager, replacing Aon New Zealand
- Russell Investment Group Limited (Russell), one of the underlying investment managers, has been a related party since the acquisition as Russell and the Manager have a common shareholding
- Aon New Zealand has continued to provide certain administration, consulting and investment management services since the acquisition under an agreement with Fisher Funds

There were no related party transactions entered into during the year ended 31 March 2022 that were not on arm's length terms.

Other information for particular types of managed funds

Withdrawal information

The following table sets out the number of permitted withdrawals made from the Scheme during the year ended 31 March 2022.

Type of withdrawal	Number of members
Death benefit	0
Total and permanent disablement or serious illness	1
Partial withdrawal	94
Leaving service benefit	183
Retirement benefit	37
Retrenchment benefit	24
Transfers to other workplace savings schemes	0

Investment returns

The performance of the Trust's underlying investment managers gets regularly reviewed by the Manager with the assistance of the investment consultant. The purpose of these reviews is to monitor the performance of the underlying investment managers taking into consideration the amount of risk the underlying investment manager is taking for the return it delivers. Asset mixes for the ANZ diversified funds, Nikko Balanced and Growth Funds, and the Milford and Russell funds are determined by the respective underlying investment managers, but are reviewed by the Manager to ensure they continue to be appropriate for the Scheme.

The investment returns for each of the Scheme's funds for the year to 31 March 2022, and the unit prices at the start and end of the year, are set out below:

Fund	Investment return (net of fund charges but before tax)	Unit price at start of year (1 April 2021) \$	Unit price at end of year (31 March 2022) \$
ANZ Cash	0.38%	15.8821	15.9422
ANZ Conservative	-0.62%	24.7582	24.6052
ANZ Balanced	3.41%	32.1732	33.2697
ANZ Growth	5.27%	35.2919	37.1525
Milford Active Growth Wholesale	6.91%	4.6734	4.9962
Nikko Cash	0.47%	15.0085	15.0796
Nikko Conservative	-1.99%	17.4518	17.1052
Nikko Balanced	-1.44%	23.4812	23.1433
Nikko Growth	-1.05%	31.0236	30.6964
Russell LifePoints® Conservative	-3.30%	11.2007	10.8317
Russell LifePoints® Moderate	-1.69%	11.7999	11.6005
Russell LifePoints® Balanced	-0.13%	11.9908	11.9758
Russell LifePoints® Growth	1.07%	12.3554	12.4871
Russell LifePoints® Target Date 2025	-2.44%	10.8783	10.6130
Russell LifePoints® Target Date 2035	-0.97%	11.4572	11.3458
Russell LifePoints® Target Date 2045	0.29%	11.6597	11.6939

The following funds are still provided but are no longer available for new members to select.

Fund	Investment return (net of fund charges but before tax)	Unit price at start of year (1 April 2021) \$	Unit price at end of year (31 March 2022) \$
ANZ Capital Stable	-3.15%	21.0277	20.3662
AMT NZ Bond*	-6.44%	18.8527	17.6391
AMT International Bond*	-4.75%	25.9728	24.7401
AMT Australasian Shares*	-3.99%	40.2683	38.6632
AMT International Shares*	4.94%	46.1237	48.4033
AMT Australasian Property*	0.77%	40.4782	40.7885
Russell LifePoints® Target Date 2015	-3.12%	10.7503	10.4146

* The underlying investment manager of these funds is ANZ New Zealand Investments Limited.

The formula used to calculate the investment performance is:

$$\frac{\text{Unit price at end of year}}{\text{Unit price at start of year}} - 1$$

Unit prices are net of those fund charges reflected in the unit price, but before tax and any fund charges met by withdrawing some of your units on a monthly basis. The unit price at the start of the year is the closing price for 31 March 2021. The returns shown above may differ slightly from the equivalent returns shown in the 31 March 2022 fund updates due to the fund updates making allowance for any applicable tax credits within each fund.

Manager's statement

The Manager states that:

- All the contributions required to be made to the Scheme in accordance with the terms of the governing document of the Scheme have been made;
- All the benefits required to be paid from the Scheme in accordance with the terms of the governing document of the Scheme have been paid; and
- The market value of the Scheme property at 31 March 2022 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 31 March 2022.

Changes to persons involved in the Scheme

During the year ended 31 March 2022 there were the following changes to the directors of the Manager (Superannuation Management Nominees Limited):

- Vincenzo Cutrupi ceased to be a director effective 30 November 2021
- Jody Kaye and Bruce McLachlan were appointed as directors effective 30 November 2021

The administration manager and investment manager of the Scheme changed from Aon New Zealand to Fisher Funds Management Limited effective from 1 December 2021.

Control of the Manager (Superannuation Management Nominees Limited) changed from Aon Holdings New Zealand to Fisher Funds when Fisher Funds acquired the Scheme as at 1 December 2021.

How to find further information

Further information relating to the Scheme (including financial statements, the trust deed, the SIPO, fund updates, annual reports, the PDS, and other material information) is available on the offer register and the scheme register. These registers can be found at disclose-register.companiesoffice.govt.nz.

A copy of information on the offer register or scheme register is available on request to the Registrar of Financial Service Providers.

The following information may also be requested from us free of charge, by contacting us in writing:

- Copies of the PDS.
- Copies of the PDS Supplements specific to your Plan.
- Copies of all written investor communications sent to you (including annual reports, financial statements, PIE statements and confirmation information).
- Copies of the trust deed, SIPO and fund updates.
- A written statement of your unit holding as detailed in the Scheme's register of investors.
- Minutes of all investor meetings.
- Resolutions passed by investors.

Contact details and complaints

Contact details

The Manager can be contacted via the administrator at:

Aon Master Trust
Level 30 PwC Tower, 15 Customs Street West,
Auckland 1010
PO Box 332, Shortland Street, Auckland 1140

Telephone: 0800 266 268
Email: amt@linkmarketservices.com

Link Market Services Limited is the administrator and maintains the register of the Scheme and can be contacted at:

Link Market Services Limited
Level 30 PwC Tower, 15 Customs Street West,
Auckland 1010
PO Box 91976, Shortland Street, Auckland 1142

Telephone: 0800 266 268

Questions or complaints

Should you have any questions or complaints please direct them to us via the administrator at:

Aon Master Trust
Level 30 PwC Tower, 15 Customs Street West,
Auckland 1010
PO Box 332, Shortland Street, Auckland 1140

Telephone: 0800 266 268
Email: amt@linkmarketservices.com

If you have made a complaint to us and it has not been resolved you may direct your complaint to our independent dispute resolution scheme:

Financial Services Complaints Limited
4th Floor, 101 Lambton Quay
PO Box 5967, Wellington 6140

Telephone: 0800 347 257
Email: complaints@fscl.org.nz

Financial Services Complaints Limited will not charge a fee to any complainant to investigate or resolve a complaint.

Contact us

Our helpdesk staff are available to assist you with any queries. Please note that our contact centre staff are not able to provide you with financial advice.

t: 0800 266 268

e: amt@linkmarketservices.com