

Aon Master Trust

Fund Update for the year ended 31 March 2019

This Fund Update was first made publicly available on 5 March 2020 and replaces the version made available on 28 June 2019.

Russell LifePoints® Conservative Fund

What is the purpose of this statement?

This document tells you how the Russell LifePoints® Conservative Fund has performed and what fees were charged. The document will help you to compare the fund with other funds. Superannuation Management Nominees Limited prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

Description of the fund

The Russell LifePoints® Conservative Fund aims to produce returns in excess of inflation by investing mostly in income assets with only a modest allocation to growth assets.

| | |
|-------------------------------|---------------|
| Total value of the fund | \$2,358,077 |
| Number of members in the fund | 85 |
| Date the fund started | 12 April 2007 |

What are the risks of investing?

Risk indicator for the Russell LifePoints® Conservative 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 here https://www.aonhewitt.co.nz/Aon_Master_Trust_Risk_Profile_form.pdf. 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 five years to 31 March 2019. 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. See the Product Disclosure Statement (PDS) for more information about the risks associated with investing in this fund.

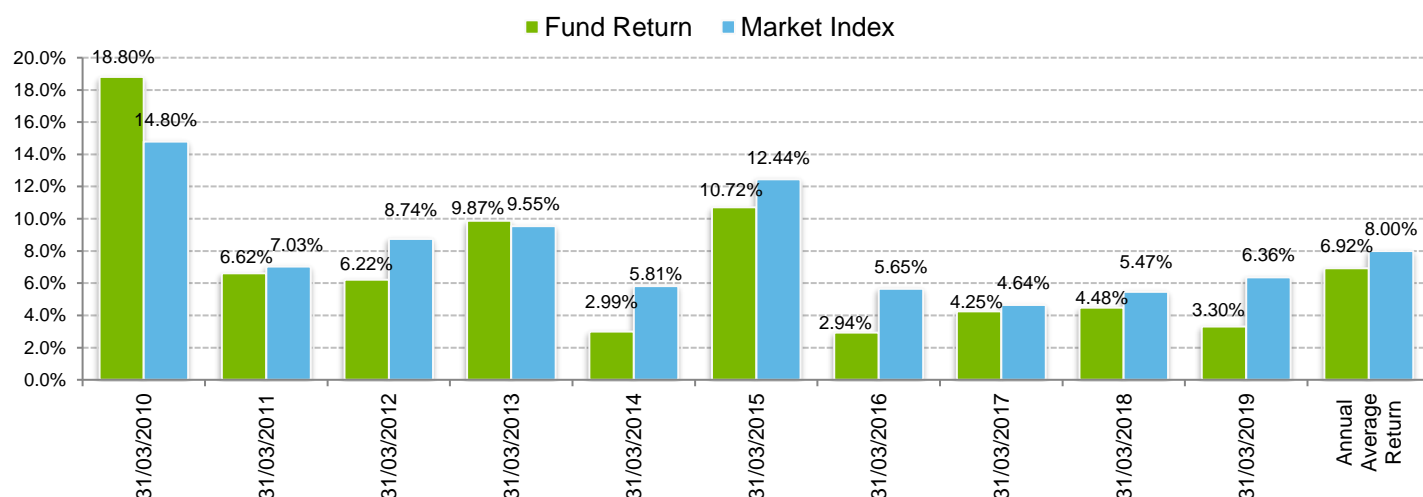
How has the fund performed?

| | Average of past 5 years | Past year |
|---|-------------------------|-----------|
| Annual return (after deductions for charges and tax) | 5.10% | 3.30% |
| Annual return (after deductions for charges but before tax) | 6.31% | 4.26% |
| Market index annual return (reflects no deduction for charges and tax) | 6.88% | 6.36% |

The market index return reflects a composite of benchmark index returns, weighted for the fund’s target asset allocation. The benchmark indices used for each asset class are defined in the Statement of Investment Policy and Objectives (SIPO).

Additional information about the market index is available in the SIPO on the register at <https://www.business.govt.nz/disclose>

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 31 March 2019.¹

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 Russell LifePoints® Conservative Fund are charged fund charges. In the year to 31 March 2019, these were:

| | % of net asset value |
|---|----------------------|
| Total fund charges | 1.26% |
| Which are made up of - | |
| Total management and administration charges including: | |
| Manager's basic fee | 1.05% |
| Other management and administration charges | 0.21% |
| Total performance based fees | 0.00% |
| Other charges | |
| * Annual membership fee | \$25.96 |

* Annual membership fee calculation involves calculating the total of member fees payable across all those participating employers where the member pays for the fees, and dividing by the total number of members from all participating employers, and multiplying by 12 to convert to an annual average.

Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). See the 'Fee and other charges' document on the entry relating to the offer of interests in the Aon Master Trust maintained on the offer register <https://www.business.govt.nz/disclose> for more information about those fees.

Small differences in fees and charges can have a big impact on your investment over the long term.

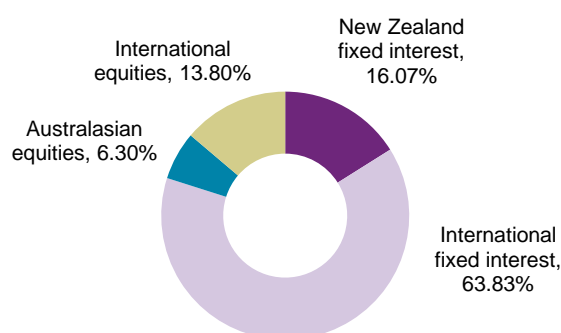
Example of how this applies to an investor

Jacob had \$10,000 in the fund at the start of the year and didn't make any further contributions. At the end of the year, Jacob received a return after fund fees and tax were deducted of \$330 (that's 3.30% of his initial \$10,000). Jacob also paid \$25.96 in membership fees. This gives Jacob a total return of \$304.04 for the year.

What does this fund invest in?

Actual investment mix

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



Target investment mix

| | |
|------------------------------|--------|
| Cash and cash equivalents | 0.00% |
| New Zealand fixed interest | 16.00% |
| International fixed interest | 64.00% |
| Australasian equities | 6.00% |
| International equities | 14.00% |
| Listed property | 0.00% |
| Unlisted property | 0.00% |
| Commodities | 0.00% |
| Other | 0.00% |

Top 10 investments

| | Asset name | Percentage of fund net assets | Asset class | Country | Credit rating (if applicable) |
|---|--|-------------------------------|------------------------------|---------|-------------------------------|
| 1 | Russell Investments Global Fixed Interest Fund | 63.83% | International fixed interest | NZ | |
| 2 | Russell Investments NZ Fixed Interest Fund | 16.07% | New Zealand fixed interest | NZ | |
| 3 | Russell Investments Hedged Global Shares Fund | 6.91% | International equities | NZ | |
| 4 | Russell Investments Global Shares Fund | 6.89% | International equities | NZ | |
| 5 | Russell Investments NZ Shares Fund | 6.30% | Australasian equities | NZ | |

The top 10 investments make up 100.00% of the fund.

Currency hedging

Currency hedging can apply to some of the asset classes this fund invests in.

The targeted level of currency hedging for international equities is 50%. Other global asset classes target a 100% hedge to the New Zealand dollar. Refer to the Statement of Investment Policy and Objectives for more information which is available from

<https://www.business.govt.nz/disclose>

Key Personnel

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

| Name | Current position | Time in current position | Previous position | Time in previous position |
|-----------------|---|--------------------------|--|---------------------------|
| Janet Hayden* | Director, Superannuation Management Nominees Limited | 9 years, 1 month | Director, Aon Saver Limited (current position) | 6 years, 7 months |
| Enzo Cutrupi | Director, Superannuation Management Nominees Limited | 1 years, 4 months | Principal and Head of Product and Investment, Aon Australia (current position) | 6 years, 0 months |
| Helen McKenzie | Director, Superannuation Management Nominees Limited | 2 years, 5 months | Institutional Relationship Manager, First State Investments | 3 years, 0 months |
| Simon Ferry | Manager of Retirement & Financial Management, Aon New Zealand | 1 year, 11 months | Retirement Business Leader, Mercer Hong Kong | 4 years, 0 months |
| Amanda Beeslaar | Principal and Head of Retirement Products, Aon New Zealand | 1 years, 9 months | Principal and KiwiSaver Sales and Service Manager, Aon New Zealand | 9 years, 4 months |

* Janet Hayden has since resigned as a Director of Superannuation Management Nominees Limited, and Dennis Church has been appointed as a Director.

Further information

You can also obtain this information, the PDS for the Aon Master Trust, and some additional information from the offer register at <https://www.business.govt.nz/disclose>

Notes

1. The returns shown in the annual return graph at the top of page 2 for the periods ending 31 March 2015 to 31 March 2019 are less than those shown for the same periods in the Fund Updates issued prior to March 2020 by approximately 0.14% in each case following a tax adjustment made in the quarter ending 31 December 2019.

Our helpdesk staff are available to assist you with any queries.
You can contact us by email at amt@linkmarketservices.com or by calling 0800 266 268.