

# MFL Mutual Fund

For the year ended 30 June 2021



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**MFL Mutual Fund (MFL, the scheme or the fund)** was established in 1969 to provide New Zealanders with an opportunity to plan and save for retirement.

MFL is a registered superannuation scheme. The scheme was closed to new members on 16 September 2016. The scheme continues to accept contributions from existing members. The trustee and manager of the scheme (**the trustee**) is MFL Mutual Fund 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 **[mflmutual.co.nz](http://mflmutual.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 MFL Mutual Fund annual report for the year ended 30 June 2021.

It was a fantastic year for property investment as the gradual reopening of the global economy saw the sector rebound sharply, after it had struggled during the market volatility of early 2020.

The rebound in share markets was helped in part by the global economy slowly reopening and the roll-out of several COVID-19 vaccines.

Coming off such a challenging year, it was pleasing to see the fund deliver strong gains, reinforcing our view that the portfolio can withstand some short-term volatility and still deliver solid returns for members.

In addition to strong performance, other developments this year include:

- **Change of Chairman**

During the year Chairman and Director Mark Cross resigned after approximately 10 years with the scheme. Dr Edward Schuck was appointed as Chairman on 1 April 2021.

- **Award-winning performance**

ANZ Investments received the 2020 Good Returns Fund Manager of the Year Award – Powered by Research IP\*.

In the words of Research IP, this achievement "recognises ANZ Investments' long history of strong governance, industry best practice and performance over the 12-month judging period".

- **A new way to invest**

We've added the capability for you to make additional investments on your smartphone. If you're an ANZ banking customer, you can transfer money to your investment account via the ANZ goMoney app, wherever and whenever you like.

On page 6, ANZ Investments provides a detailed account of the fund's performance over the year.

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.

To ensure your financial plan is on track, I encourage you to contact your financial adviser to review your financial position.

It's important to discuss any changes in your financial situation. ANZ Investments will be happy to put you in touch with an adviser in your area if you need one.

\* See page 16 for award disclaimer, and see [anz.co.nz/investmentawards](https://anz.co.nz/investmentawards) for full awards and ratings history.


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Thank you for your continued support.  
We appreciate having you in the scheme  
and being able to help you achieve your  
retirement goals.



**Dr Edward Schuck**

Chairman,  
MFL Mutual Fund Limited



"It was a fantastic year for property  
investment as the gradual reopening  
of the global economy saw the sector  
rebound sharply..."





# Investment manager's report

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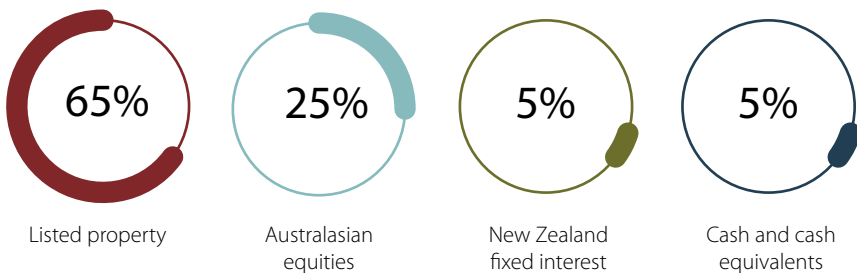
The MFL Mutual Fund is a managed portfolio that invests predominantly in Australasian listed property, Australasian equities and international listed property with a small allocation to cash and cash equivalents and fixed interest assets. It may also invest in funds or trusts that invest in property and are intending to list.

Some underlying investments are held directly and some are held via an underlying fund.

Listed property includes trusts or companies that own or invest directly in commercial, office and industrial property.

The fund's equity investments will predominantly be shares in listed trusts or companies with a substantial property component. These could include, for example, ports, airports, toll roads, utility networks and retirement villages.

The chart below shows the target investment mix, which represents the mix of assets that the fund generally intends to invest in.



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## Performance summary

It was a prosperous year for investors in the MFL Mutual Fund as share markets continued their strong recovery from the March 2020 lows. For the year, the fund gained an impressive 28.33% taking its 10-year annual return to 11.68%.

Listed property stocks had a particularly strong year as fears of missed rent payments, rising vacancies and declining valuations subsided and these stocks flourished as the global economy slowly began to reopen. In particular, the retirement sector in New Zealand was one of the best-performing as the buoyant domestic property market pushed up valuations and saw shares in several of the large retirement operators trade at all-time highs.

Elsewhere, the New Zealand retail and office sector also performed relatively well as New Zealand managed to stave off any prolonged periods of lockdown by keeping COVID-19 out of the community (for the most part). This meant retailers remained open and people were able to return to the office.

Global equity markets performed strongly over the 12 months as governments and central banks pledged to offer fiscal and monetary stimulus if needed.

ANZ Investments' focus remains on investing for the long term in quality companies, with strong management and balance sheets, that can withstand periods of uncertainty as we have seen over the past 18 months since the COVID-19 outbreak. This investment approach gives us the chance to deliver above-market returns to our investors over the long term.



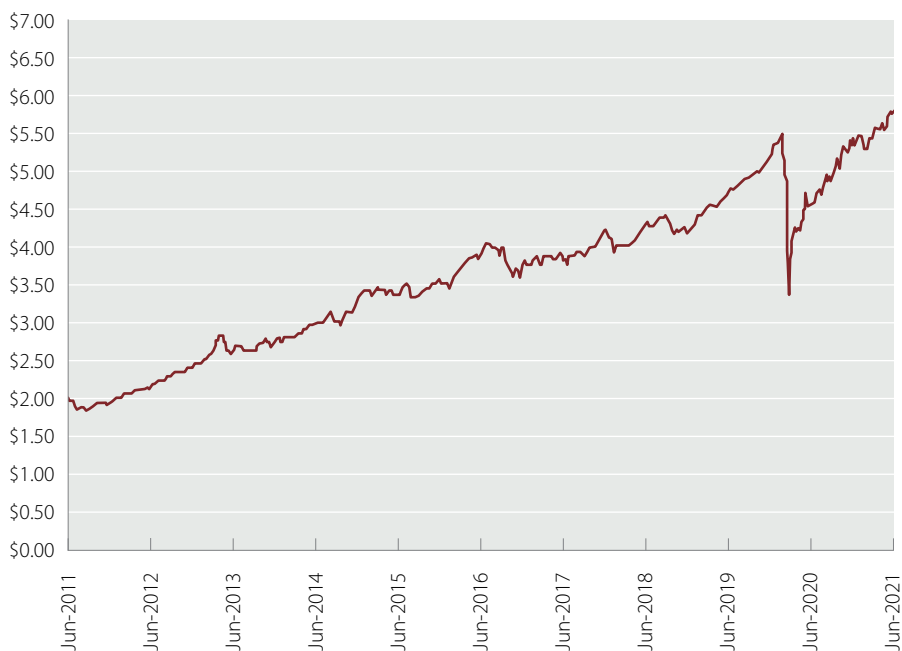
## Fund performance

As at 30 June 2021

	1 year (%)	5 years (% p.a)	10 years (% p.a)
MFL Mutual Fund	28.33	8.60	11.68

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.

## MFL unit price to 30 June 2021



# Details of scheme

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## **Name of the scheme**

MFL Mutual Fund.

## **Type of scheme**

Restricted superannuation scheme.  
The scheme is closed to new investors.

## **Trustee and manager**

MFL Mutual Fund 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 update**

The scheme's latest fund update for the year ended 30 June 2021 was made publicly available on 28 September 2021. It is 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 2021, and the auditor's report on those financial statements, were dated 28 October 2021 and lodged with the Registrar of Financial Service Providers on 29 October 2021. See page 15 for more details.

# Information on contributions and scheme participants

The information in this document relates to the 12 months from 1 July 2020 to 30 June 2021 (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 2020</b>		
Contributing members	2,261	
Non-contributing members*	14,635	
<b>Total members at 1 July 2020</b>	<b>16,896</b>	
<b>Total members' accumulation at 1 July 2020</b>		<b>463,390</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	498	
Death	105	
Transfers to other schemes	–	
Other reasons	26	
<b>Total members exited during the year</b>	<b>629</b>	
<b>Scheme members at 30 June 2021</b>		
Contributing members	2,200	
Non-contributing members*	14,067	
<b>Total scheme members at 30 June 2021</b>	<b>16,267</b>	
<b>Total members' accumulation at 30 June 2021</b>		<b>564,023</b>

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

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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*	2,765	14,904
Employer contributions	–	–
<b>Total contributions</b>		<b>14,904</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 18 November 2020, with effect from 30 January 2021, with minor updates made due to the commencement of the Trusts Act 2019.

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

The SIPO was updated on 15 October 2020 to reflect:

- a change to the fund description
- a change to the market indices for the New Zealand fixed interest asset class
- that a liquidity risk management framework is maintained, which includes strategies and controls to manage liquidity risk, and
- non-material changes to various wordings and descriptions.

The SIPO was also updated on 28 June 2021 to reflect non-material changes to various wordings and descriptions.

## **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*	7	187
Full withdrawals*	26	670
Death**	108	6,039
Retirement**	935	30,978
Transfers to other registered schemes	–	–
<b>Total withdrawals</b>		<b>37,874</b>

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

\*\* Includes fully and partially processed withdrawals.

## Unit prices

The table below sets out the unit prices for the scheme at the start and end of the year.

Fund	At 30 June 2020	At 30 June 2021
MFL Mutual Fund	4.5275	5.7941

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## Trustee's statement

MFL Mutual Fund 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 2021 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 2021.



# Changes to persons involved in the scheme

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## **Trustee and manager**

MFL Mutual Fund Limited was the trustee and manager of the scheme throughout the year.

The following changes to the directors of the trustee and manager occurred during the year:

- Louise Edwards was appointed as a director on 1 October 2020.
- Samantha Sharif was appointed as a director on 1 October 2020.
- Mark Cross resigned as Chairman and director on 31 March 2021.
- Dr Edward Schuck was appointed as Chairman on 1 April 2021.

## **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 for an offer' and search for 'MFL Mutual Fund'


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

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

Click 'Search for a scheme' and search for 'MFL Mutual Fund'.

## 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 MFL website:

 **mflmutual.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: MFL Mutual Fund Limited**

Registered office:  
c/- Dunne Consulting Group Limited  
Level 1, 41 Taharoto Road  
Takapuna  
Auckland 0622  
Attn: Secretary –  
MFL Mutual Fund 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, Victoria Street West  
Auckland 1142  
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: The Banking Ombudsman Scheme**

Freepost 218002  
PO Box 25327, Featherston Street  
Wellington 6146

 0800 805 950

 [help@bankomb.org.nz](mailto:help@bankomb.org.nz)

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

Fund Manager of the Year Awards were announced by Good Returns Powered by Research IP on 4 December 2020. These awards should not be read as a recommendation by Research IP. For further advice on the relevance of this award to your personal situation, please consult your financial adviser, or visit [research.ip.com/awards](http://research.ip.com/awards).

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 MFL Mutual Fund 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, MFL Mutual Fund Limited, any of their directors or any other person.





