

## New Zealand Fire Service Superannuation Scheme

### Fund update for the Balanced option Year ended 31 March 2020

This update was first made publicly available on 14 July 2020.

#### What is the purpose of this update?

This document tells you how the Balanced option has performed and what fees were charged. The document will help you to compare the fund with other funds. FireSuper Trustee Limited has prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

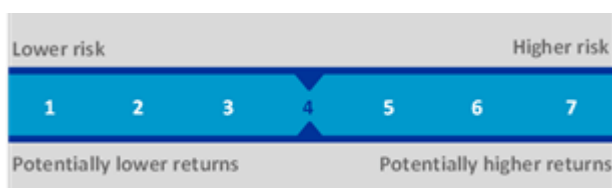
#### Description of this fund

The Balanced option invests in a targeted 58.5:41.5 split of growth assets (such as shares and property) and income assets (such as fixed income and cash). It is constructed with an expectation of providing a long-term (10 years plus) return after tax and investment expenses of approximately 2-2.5% p.a. above inflation. There is a reasonably small risk (approximately one in 100 years) of a member losing more than 20% after inflation in any year, with a likelihood of a negative return of (currently) one year in every three.

Total value of the fund	\$292,217,169
Number of investors in the fund	1398
The date the fund started	1 October 2008

#### What are the risks of investing?

##### Risk indicator for the Balanced option



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 [www.sorted.org.nz/tools/investor-kickstarter](http://www.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 five-year period to 31 March 2020.

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.

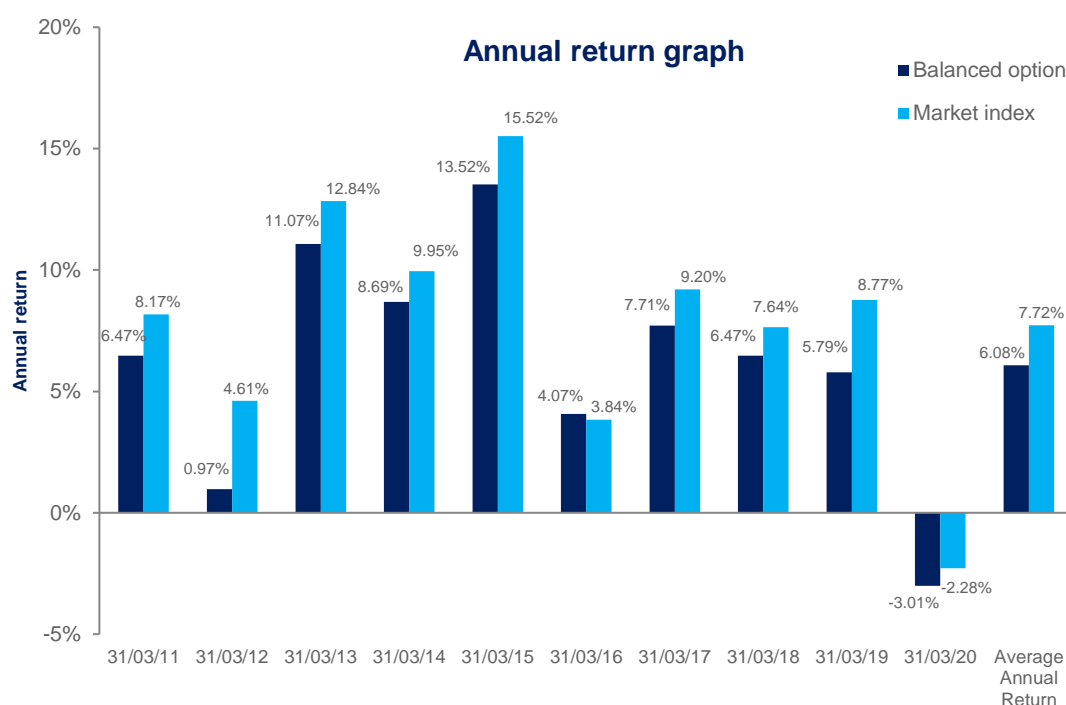
See the product disclosure statement (PDS) for more information about the risks associated with investing in this fund.

## How has the fund performed?

	Average over past 5 years	Past year
<b>Annual return</b> (after deductions for charges and tax)	4.13%	-3.01%
<b>Annual return</b> (after deductions for charges but before tax)	4.97%	-3.13%
<b>Market index annual return</b> (reflects no deduction for charges and tax)	5.34%	-2.28%

The market index return is the strategic asset allocation-weighted benchmark index return, where the benchmark indices are defined in the Statement of Investment Policy and Objectives.

Additional information about the market index is available on the offer register at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz).



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 2020.

**Important:** This does not tell you how the fund will perform in the future.

The bar chart shows fund returns after the deduction of fees and tax, however, the market index returns are shown before any fees or tax are deducted.

## What fees are investors charged?

Investors in the Balanced option are charged fund charges. In the year to 31 March 2020 these were:

	% of net asset value
<b>Total fund charges</b>	0.75%
Which are made up of:	
<b>Total management and administration charges</b>	0.75%
Including -	
Manager's basic fee	0.00%
Other management and administration charges	0.75%
<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>
Administration fee	\$0.00 per annum

Investors may also be charged individual action fees for specific actions or decisions (for example, withdrawing from or switching funds). See the PDS on the offer register at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz) for more information about those fees.

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

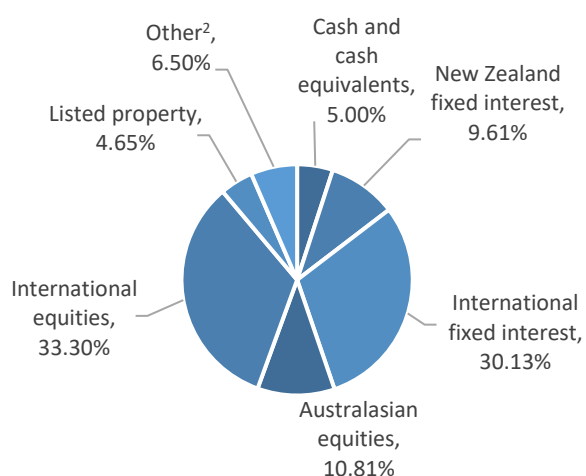
## Example of how this applies to an investor

Mary 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, Mary incurred a loss after fund charges were deducted of \$313.00 (that is -3.13% of her initial \$10,000). Mary also paid \$0 in other charges. This gives Mary a total loss after tax of \$301.00 for the year.

## What does the fund invest in?<sup>1</sup>

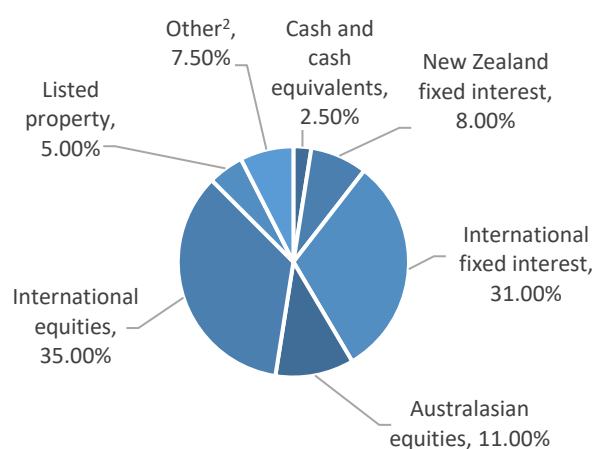
### Actual investment mix

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



## Top 10 investments

Asset name	% of fund net assets	Type	Country	Credit rating (if applicable)
Russell Investments Global Fixed Interest Fund	30.13%	International fixed interest	NZ	N/A
AMP Capital Core Hedged Global Shares Fund	18.69%	International equities	NZ	N/A
AMP Capital Core Global Shares Fund	11.61%	International equities	NZ	N/A
First State Investments Global Listed Infrastructure Fund	6.50%	Other <sup>2</sup>	NZ	N/A
ANZ Investments High Grade Bond Fund	5.82%	New Zealand fixed interest	NZ	N/A
AMP Capital NZ Shares Fund	5.43%	Australasian equities	NZ	N/A
Harbour Australasian Equity Fund WUT	5.27%	Australasian equities	NZ	N/A
ANZ Investments Wholesale Cash Fund	5.00%	Cash and cash equivalents	NZ	N/A
ANZ Investments Wholesale International Property Securities Fund (ex Aus.)	4.65%	Listed property	NZ	N/A
ANZ Investments Sovereign Bond Fund	3.79%	New Zealand fixed interest	NZ	N/A

The total value of the above 10 individual assets is 96.90% of the net asset value of the fund.

### Currency hedging

The target foreign currency exposure is equal to approximately 50% of the international equities exposure. Foreign currency exposure is not actively managed at a strategic level. However, at an asset class and sub-asset class level, both market movements and, where applicable, active positions taken by the underlying fund managers can result in deviations away from the target level. The resultant foreign currency exposure would normally be expected to sit within a range of 40-60% of the international equities exposure.

### Key personnel

Name	Current position	Time in current position	Previous or other current position (if relevant)	Time in previous or other position
Denis James Fitzmaurice	Board Member of New Zealand Fire Service Superannuation Scheme	13 years 6 months		
Andrew Roland Johnson	Licensed Independent Trustee Director	1 year 1 month	Head of Asset Consulting (NZ), Russell Investments	3 years 8 months
Angela Hauk-Willis <sup>3</sup>	Board Member of New Zealand Fire Service Superannuation Scheme	1 year 10 months		
Stephen Colin Warner	Board Member of New Zealand Fire Service Superannuation Scheme	4 years 6 months	Board Member of New Zealand Fire Service Superannuation Scheme	18 years 0 months
Julian Dallas Darby	Senior Consultant, Russell Investments	4 years 9 months	Consultant, Russell Investments	5 years 5 months

## Further information

You can also obtain this information, the PDS for the New Zealand Fire Service Superannuation Scheme, and some additional information from the offer register at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz) or on the Documents & forms page of [www.firesuper.superfacts.co.nz](http://www.firesuper.superfacts.co.nz) or by calling the scheme helpline 0800 MY SUPER (0800 69 78737).

## Notes

1. FireSuper Trustee Limited has made a commitment to private equity of up to \$1.03 million.
2. Other includes investments in global listed infrastructure.
3. Angela Hauk-Willis has not been named as a key person in a previous fund update for the fund.