

# MFL Mutual Fund

For the year ended 30 June 2023



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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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# Message from the Chairman

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I'm pleased to present the MFL Mutual Fund annual report for the year ended 30 June 2023.

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.

## **Keeping things in perspective**

While the MFL Mutual Fund's 1-year return is negative, over longer periods, the fund has delivered strong returns for members. For example, over 10 years, the annualised return is 7.15% (per annum).

We recognise that falls in the value of your investment can be unsettling, but we would remind members that investment markets are prone to ups and downs, and it's likely most of you will have experienced similar set-backs before.

What we do know is while we can't predict when it will happen, history tells us that markets tend to push higher over time.

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.

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



“...while we can’t predict when it will happen, history tells us that markets tend to push higher over time.”



# Investment manager's report

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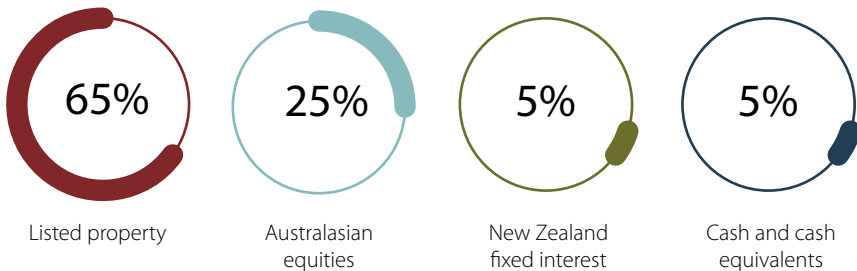
The MFL Mutual Fund is a managed portfolio that invests predominantly in Australasian listed property, Australasian equities and international listed property with a small allocation to cash and cash equivalents and fixed interest assets. It may also invest in funds or trusts that invest in property 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 another challenging year for investors in the listed property sector, which faced headwinds from high inflation, rising interest rates and slowing global growth.

The second half of 2022 saw inflation in most major economies sitting close to multi-decade highs, prompting central banks around the world to continue raising interest rates aggressively to get inflation down. This impacted negatively on property markets, which are particularly sensitive to higher interest rates – since they add to borrowing costs and affect the profitability of listed property companies.

International equity markets, including listed property markets, staged a recovery as we moved into 2023, driven by the strong performance of the information technology sector. However, concerns around the banking sector in the US and Europe (following some high-profile banking collapses) affected credit availability in the property sector. This meant that while the sector regained some of its losses, its performance lagged that of broader equity markets indices.

### **Fund delivers a small negative return**

Against this backdrop, the listed property sector had a challenging time, resulting in a -0.9% return for members in the MFL Mutual Fund over the year (after fees, but before tax).

In particular, its holdings in New Zealand retirement companies weighed on performance. While these aren't commercial property companies in the true sense, they are investments that have a large property component associated with them and are involved in the development and management of property assets.

A slowing residential housing market had an impact on the local retirement sector, as it prompted some who were considering making the move to a retirement village to put it off, thereby impacting sales of units in retirement villages and the outlook for the sector.

### **Focus remains on high-quality companies and an improving outlook**

While it continues to be a challenging environment for the sector, we maintain our focus on investing in high-quality listed property companies with strong management and a clear strategy for growing shareholder value – a philosophy that has benefited investors in the fund, as evidenced by its long-term track record.

The outlook for listed property is improving too. Interest rates are at or close to a peak in most of the major economies and, while growth is slowing, many believe the world should be able to avoid a major economic crash.

Meanwhile, in New Zealand, there are signs the housing market has bottomed, and this should be supportive of the outlook for the retirement sector once more.



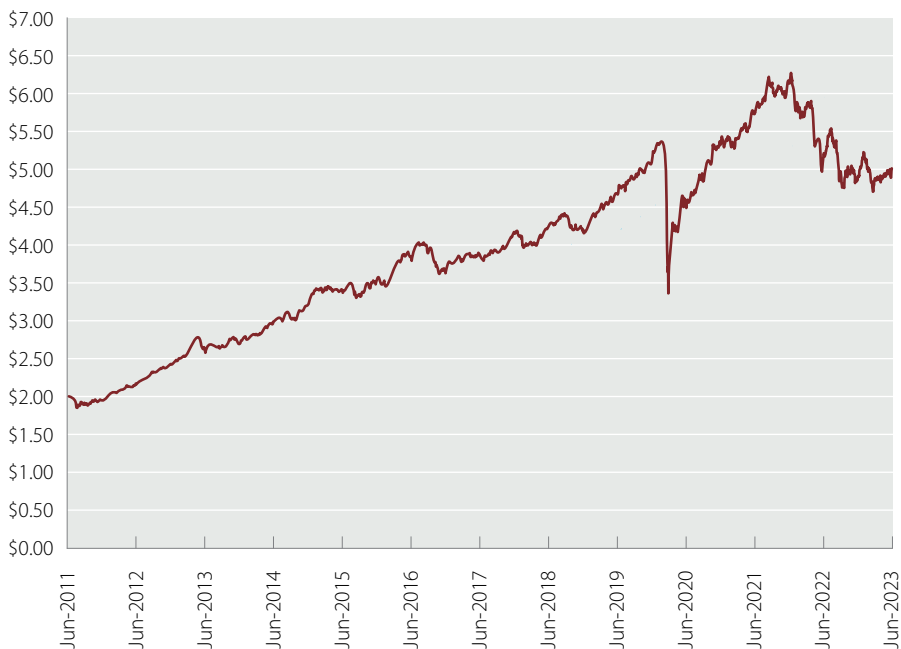
## Fund performance

As at 30 June 2023

	1 year (%)	5 years (% p.a)	10 years (% p.a)
MFL Mutual Fund	-0.89	3.77	7.15

Performance is after deduction for fund charges 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 2023



# 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 2023 was made publicly available on 29 September 2023. 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 2023, and the auditor's report on those financial statements, were dated 27 October 2023 and lodged with the Registrar on 31 October 2023.

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 2022 to 30 June 2023 (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 2022</b>		
Contributing members	2,064	
Non-contributing members*	13,635	
<b>Total members at 1 July 2022</b>	<b>15,699</b>	
<b>Total members' accumulation at 1 July 2022</b>		<b>480,350</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	684	
Death	124	
Transfers to other schemes	–	
Other reasons	17	
<b>Total members exited during the year</b>	<b>825</b>	
<b>Scheme members at 30 June 2023</b>		
Contributing members	1,832	
Non-contributing members*	13,042	
<b>Total scheme members at 30 June 2023</b>	<b>14,874</b>	
<b>Total members' accumulation at 30 June 2023</b>		<b>430,309</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*	2,268	4,463
Employer contributions	–	–
<b>Total contributions</b>	<b>2,268</b>	<b>4,463</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 statement of investment policy and objectives (SIPO)**

There were no changes to the SIPO during the year.

The SIPO was updated on 16 August 2023 to refer to ANZ Investments' responsible investment framework.

## **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*	12	134
Full withdrawals*	17	275
Death**	124	7,056
Retirement**	1,147	41,683
Transfers to other registered schemes	–	–
<b>Total withdrawals</b>	<b>1,300</b>	<b>49,148</b>

\* Includes hardship, permanent emigration, permanent incapacity 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.

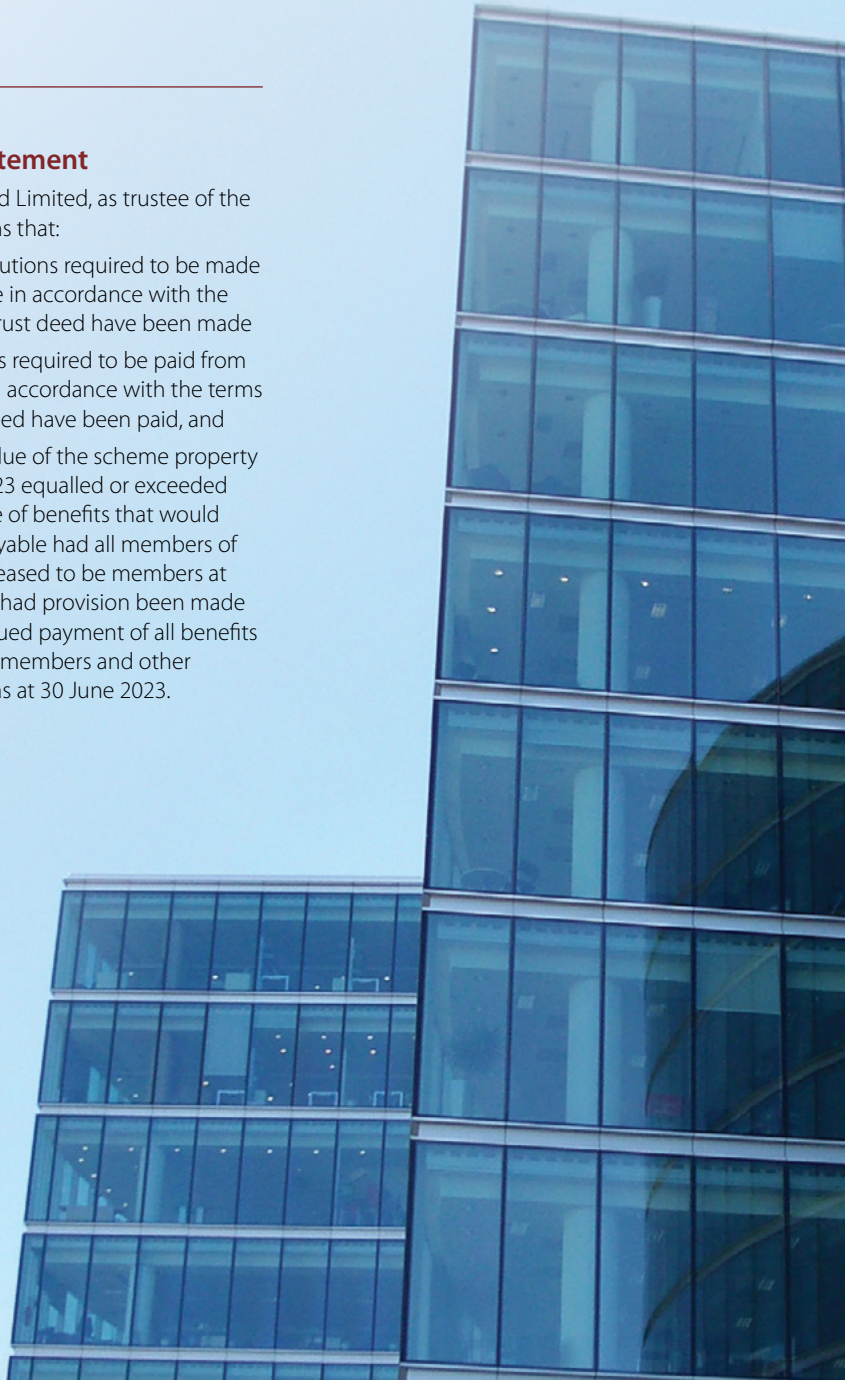
Fund	At 30 June 2022	At 30 June 2023
MFL Mutual Fund	5.1217	5.0539

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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 2023 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 2023.



# 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.

There were no changes to the directors of the trustee and manager during the year.

## **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 will try to resolve your concerns within five business days. The complaints process is set out in full at [anz.co.nz](http://anz.co.nz).


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 happy, you can get free independent assistance from the following dispute resolution scheme.

## Dispute resolution scheme:

### The Banking Ombudsman Scheme

Freepost 218002  
PO Box 25327, Wellington 6140

 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.

ANZ Investments is not an authorised deposit-taking institution (ADI) under Australian law and investments in the scheme are not deposits in or liabilities of ANZ Bank New Zealand Limited, Australia and New Zealand Banking Group Limited or their subsidiaries (together **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.



