

# Saving for tomorrow

Dairy Industry Superannuation Scheme Annual Report 2020



dairy industry  
superannuation scheme

# Year Snapshot

for year ended 31 March 2020

## Money Facts

**\$759.6m**

in net assets at year end

**\$35.6m**

member contributions

**\$1.5m**

voluntary member contributions

**\$32.2m**

employer contributions

**\$69.4m**

in benefits paid

## Member Facts

**677**

new members joined during the year

**7,322**

contributing employee members at year end

**690**

non-contributing members at year end

**115 first home**

purchases during the year with help of the Scheme

**34 pensioners**

at year end

## Communication Facts

**4**

times on average a member accessed the website during the year

**4,687**

members logged into the website

**1,854**

total calls to the Helpline

## Returns for year ending 31 March 2020 (after tax and expenses)

Cash	Cash/ Conservative	Conservative	Conservative/ Balanced	Balanced	Balanced/ Growth	Growth
0.9%	0.0%	-1.0%	-2.5%	-4.0%	-5.0%	-6.0%

The majority of Scheme members are male, with an average age of between **55 – 59**. They have an average balance of **\$98,000** and on average have been in the Scheme for **9 years**.

Long-term savers (15+ years) in the Scheme have an average account balance of **\$257,000**.



# Chairman's Review

After an extended period of continuous positive returns for the Scheme, the last financial year was hit late by the unforeseen impact of COVID-19.

## Financial markets

It has always been said that members in most investment options should expect, and be prepared for, periodic negative returns from time to time given that returns and risks never follow a nice steady path over time. However that doesn't make them any easier to experience and acknowledge, even if the catalyst, as in this case, is unforeseen or unpredictable. After some 7 years of positive returns it is disappointing to have to report negative outcomes for most investment options for last year, most of that occurring in the month of March 2020.

Despite some bumps along the way, 2019 was overall positive for investors. The beginning of 2020 started well due in part to the signing of Phase One of the US-China trade deal, progress with Brexit political negotiations, and further accommodative central bank policies.

Things worsened towards the end of the financial year as the COVID-19 pandemic emerged, prompting share market sell-offs, and typically defensive assets such as shopping centres, offices, airports, and toll roads all being affected by national lockdowns.

Nearly all asset classes were impacted in March. Cash was indeed king as even "safe haven" assets such as higher grade bonds, gold and the Japanese Yen, provided limited protection. Central banks and governments were quick to react, announcing stimulative measures to provide companies and consumers with a bridge until the spread of the virus subsides and economic activity has a chance to resume.

Share market volatility soared to levels unseen since the Global Financial Crisis (GFC) in 2008, and declines were considerably more rapid. In an unfortunate combination, risk assets fell abruptly as COVID-19 related fears mixed with the start of an oil price war.

Market volatility and the impact of COVID-19 on our retirement savings are clearly unpleasant. Although, it is important to note that observing returns over periods longer than one year is a less daunting exercise. The prior decade was a strong one for investment returns.

I can confirm that the Scheme continues to be in a strong position. The Scheme invests in a range of sectors and through a number of investment managers with different styles, to diversify risks.

## Retirement saving is a long-term task

The outlook for 2020 remains highly uncertain and depends almost entirely on the path of COVID-19. It is important to remember that saving for retirement is a long-term task and that previous market downturns (such as the Global Financial Crisis in 2008) have generally been followed by sustained

periods of positive returns. It is also important to remember that most markets have experienced positive returns for the last decade and that savings for retirement is a long-term task. You can view the Scheme performance over the last 3, 5, and 10 years on page 4, which shows long-term returns remain positive.

## Your possible future balance

To help you plan for your future retirement, this year in your personal annual statement, we have included a projected account balance showing what your future account balance may be when you hit age 65. You can then compare this projected balance with the insights from a recent Massey University study exploring what retirees spend, to see if you are on track to achieving the retirement lifestyle you want. We encourage you to seek financial advice before adjusting your savings strategy. A list of financial advisers is available at [www.fma.govt.nz/investors/getting-financial-advice](http://www.fma.govt.nz/investors/getting-financial-advice).

## Helping our members

It is great to see the Scheme continuing to help members in retirement, purchase their first home, and in those unexpected and challenging life moments. The Scheme welcomed 677 new members during the year taking our total membership to 8,012 with net assets of \$759.6 million, and payments of \$69.4 million in benefits paid. The Scheme is specifically for workers in the dairy industry and we are committed to helping you prepare for a financially secure retirement.

## Thank you

I would like to acknowledge and thank my fellow Trustee directors and the DISS employers (particularly Fonterra) in their ongoing support of this Scheme and commitment to helping members achieve a good financial future. I also wish to thank the Dairy Workers Union for their continued work of supporting members in the workplace. Additionally, thank you to the main service providers who keep supporting our members.

We trust that you find this annual report and the new projected account balance helpful to achieve the future retirement lifestyle you want. If you have any questions about information included in this report please call Helpline on 0800 355 900.



*Tim McGuinness*

**Tim McGuinness**  
Chairman

# Contents

What retirement lifestyle do you want and do your numbers match your goals?	3
Investment options and performance review	4–5
Benefits paid, costs and expenses	6–8
<b>Information about the scheme</b>	
1 Details of Scheme	9
2 Information on contributions and Scheme participants	9
3 Changes relating to the Scheme	10
4 Other information for particular types of managed funds	11
5 Changes to persons involved in the Scheme	13
6 How to find further information	14
7 Contact details and complaints	14

---

## Ways to keep up-to-date



### Access your account online

You can sign in to your online account at any time, day or night. Next time you sign in, you might be prompted to change your password. That's because Mercer has changed the rules around passwords to make them more secure.

To sign in you will need your member number, a valid email address registered to our system, and your date of birth.



### More information about the Scheme

Key information about the Scheme, such as annual reports, financial statements and fund updates are made publically available on either of the below websites;

#### Scheme website

[www.dairysuper.superfacts.co.nz](http://www.dairysuper.superfacts.co.nz)

#### Disclose Register

[www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz)



### Contact us

#### Helpline

0800 355 900 for general enquiries

#### Financial advice

[www.fma.govt.nz/investors/getting-financial-advice](http://www.fma.govt.nz/investors/getting-financial-advice)

#### Online

[www.dairysuper.superfacts.co.nz](http://www.dairysuper.superfacts.co.nz)

- › Update your contact details
- › Make changes to your account
- › Access withdrawal forms





# What retirement lifestyle do you want?

The gap between how much money retirees receive from NZ Super and how much they spend is growing. Many retirees today top up their NZ Super to maintain the lifestyle they want. The latest Retirement Expenditure Guidelines (as at 30 June 2019) found that many New Zealanders are working beyond the age of 65 to pay for the shortfall.

This report splits the level of expenditure into 'No Frills' and 'Choices'. The 'No Frills' guidelines offer a basic standard of living that includes few, if any, luxuries. The 'Choices' guidelines represent a more comfortable standard of living, which includes some luxuries or treats.

It also takes into account and splits the expenditure depending on whether you are a city dweller, or are living in a rural location.

## Key findings in this report

The New Zealand Retirement Expenditure Guidelines as at 30 June 2019

	One-person households		Two-person households	
	Metro	Provincial	Metro	Provincial
Weekly NZ Super Rates (after tax)	\$411.15		\$632.54	
<b>Total Weekly Expenditure</b>	<b>Metro</b>	<b>Provincial</b>	<b>Metro</b>	<b>Provincial</b>
No Frills Budget	\$602.11	\$574.35	\$898.73	\$639.90
Choices Budget	\$1190.37	\$830.54	\$1436.00	\$1135.70

The full report is available on Massey University's website at [www.massey.ac.nz](http://www.massey.ac.nz).

# Do your numbers match your goals?

You now know how much retirees generally spend in retirement. Do your numbers align with what retirement lifestyle you want? If the numbers do not align, you can follow these tips:

- 1 Check you are in the right investment option**  
The Scheme offers a choice of four main investment funds, or you can select a 50/50 split between adjacent funds to suit your personal situation.
- 2 Speak with a financial adviser about your personal financial goals**  
To find a financial adviser, visit the Financial Markets Authority website [www.fma.govt.nz](http://www.fma.govt.nz).
- 3 Login to the Fund website** ([www.dairysuper.superfacts.co.nz](http://www.dairysuper.superfacts.co.nz))  
Become familiar with the content and information available to you online. You should also check that your contact details and communications preference are correct to ensure you receive timely information about your account. Also revisit the product disclosure statement to familiarise yourself with the options available to you.
- 4 Use the [sorted.org.nz](http://sorted.org.nz) retirement planner tool**  
The tool may help you refine your savings strategy and see whether you're on track financially for the retirement lifestyle you want.

---

This report reveals that expenditure continues to be higher than NZ Super and New Zealanders are needing to top-up their income in addition to what NZ Super can provide. This report represents actual levels of expenditure by retired households, and not the recommended levels of expenditure. The full report is available on Massey University's website at [www.massey.ac.nz](http://www.massey.ac.nz).



# Your investment options

## About your choices

Choosing the right option is important and the Scheme offers you seven investment options to choose from. You can choose one of the four main funds, (Growth, Balanced, Conservative and Cash) or a combination of two adjacent funds (Cash/Conservative, Conservative/Balanced and Balanced/Growth). Each option has a different level of risk and return, depending on its mix of growth and income assets.

**Growth assets** are more suited to longer-term savings as their returns fluctuate more in the short term, but tend to be higher over the longer-term.

**Income assets** are more suited to shorter-term savings as their returns fluctuate less over the short term, but tend to be lower over the longer term.

## Credited interest rates

The Trustee declares the following crediting rates in respect of the Scheme's investment options/funds:

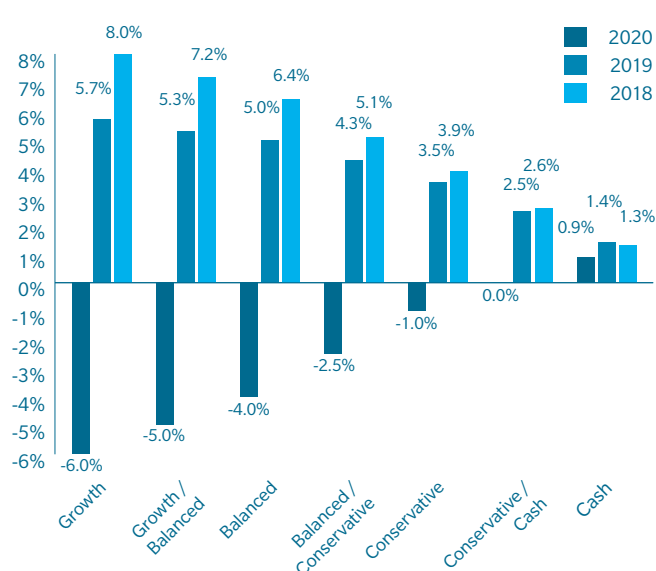
1. Final crediting rates (based on actual investment performance and year-end financial statements)
2. Monthly crediting rates (based on a combination of actual and assumed investment performance for the month)

For the investment risk indicator and long-term return objectives for each of the Scheme's investment options, refer to the product disclosure statement on 'Documents & forms' on [www.dairysuper.superfacts.co.nz](http://www.dairysuper.superfacts.co.nz).

If you need help, go to the Investor kickstarter tool on [www.sorted.org.nz](http://www.sorted.org.nz) and/or contact a financial adviser. A list of financial advisers is available on the Financial Markets Authority website [www.fma.govt.nz](http://www.fma.govt.nz).

Further information about the investment options and their performance is set out in the fund updates for each investment option, which are available from the 'Documents and forms' page of [www.dairysuper.superfacts.co.nz](http://www.dairysuper.superfacts.co.nz) or on [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz).

## Annual credited interest rates for the last three years



## Returns for year ending 31 March 2020

	Cash	Cash/ Conservative	Conservative	Conservative/ Balanced	Balanced	Balanced/ Growth	Growth
Year ending	0.9%	0.0%	-1.0%	-2.5%	-4.0%	-5.0%	-6.0%
3 years (p.a.)	1.2%	1.7%	2.1%	2.2%	2.3%	2.4%	2.4%
5 years (p.a.)	1.4%	2.0%	2.6%	3.0%	3.4%	3.6%	3.8%
10 years (p.a.)	1.8%	2.8%	3.9%	4.6%	5.3%	5.7%	6.0%

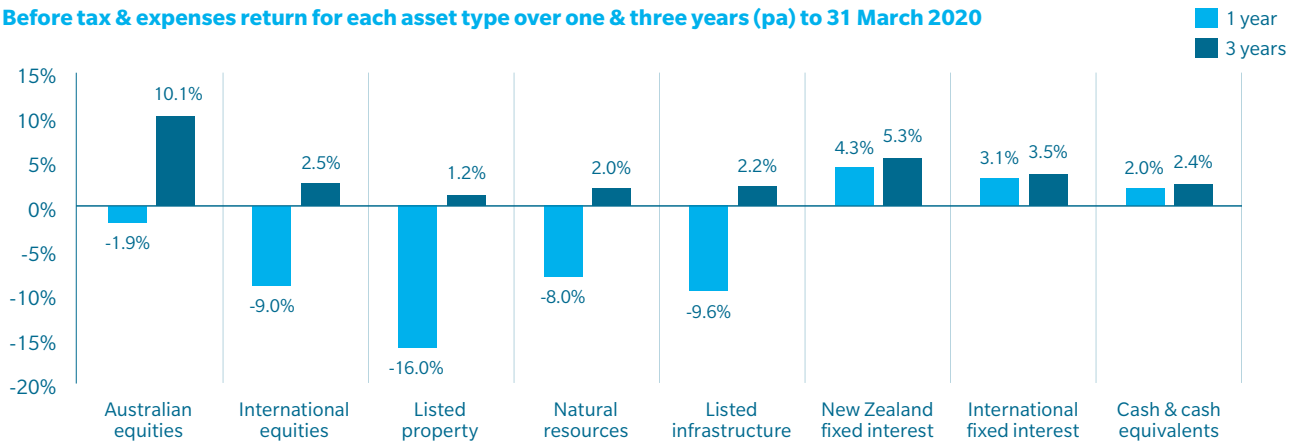


# Investment performance review

## Asset class performance

Up until the end of January 2020, investment markets were performing well. Then in late February, fears that the outbreak of COVID-19 would lead to a global economic recession escalated rapidly, sparking a widespread sell-off across most investment markets on a scale not seen since the Global Financial Crisis of 2008. This resulted in negative returns from all growth markets over the last year, as the chart below shows.

Before tax & expenses return for each asset type over one & three years (pa) to 31 March 2020

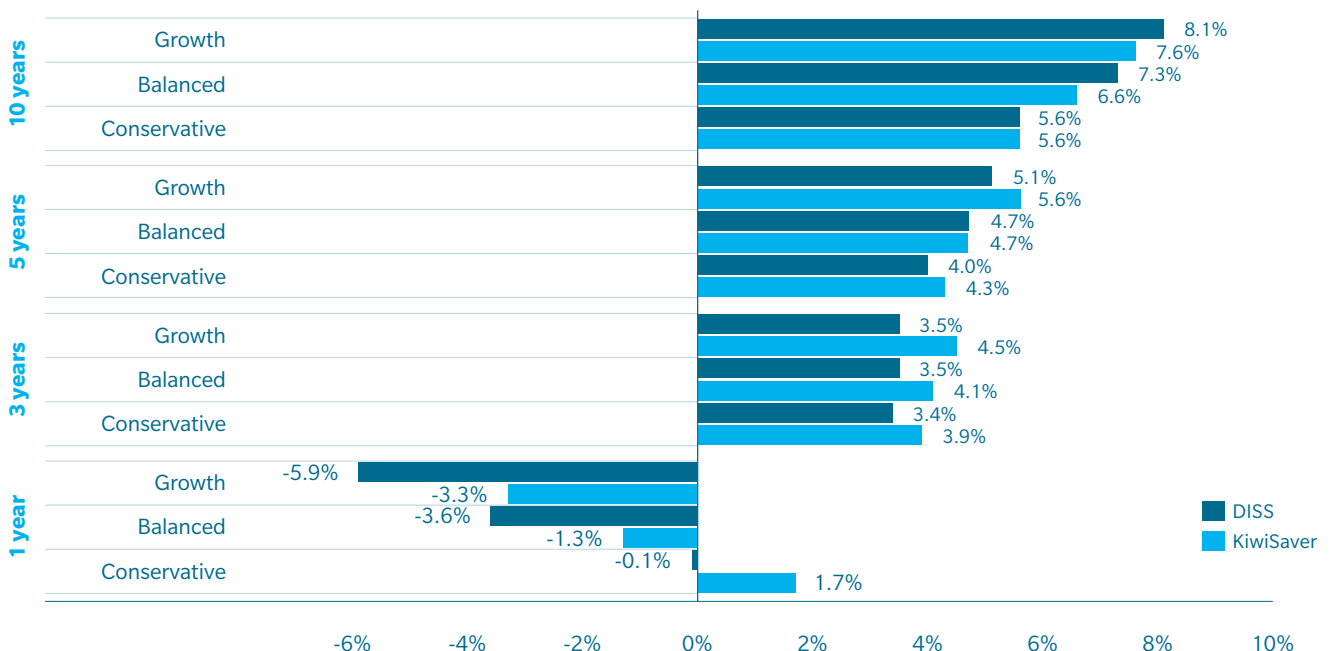


## Scheme performance compared to KiwiSaver schemes

It's important to know how the Scheme's performance compares with other similar investments. This chart shows how returns from the three main funds compare to the median (or middle) return for KiwiSaver schemes with a similar mix of assets.

The Scheme's returns continue to perform favourably over the long term compared to KiwiSaver schemes, despite lagging the median KiwiSaver funds over the past two years. These returns will vary from those that appear elsewhere in the report as they are shown **before tax and after fees**.

Fund returns (before tax and after fees) vs KiwiSaver scheme median returns\*

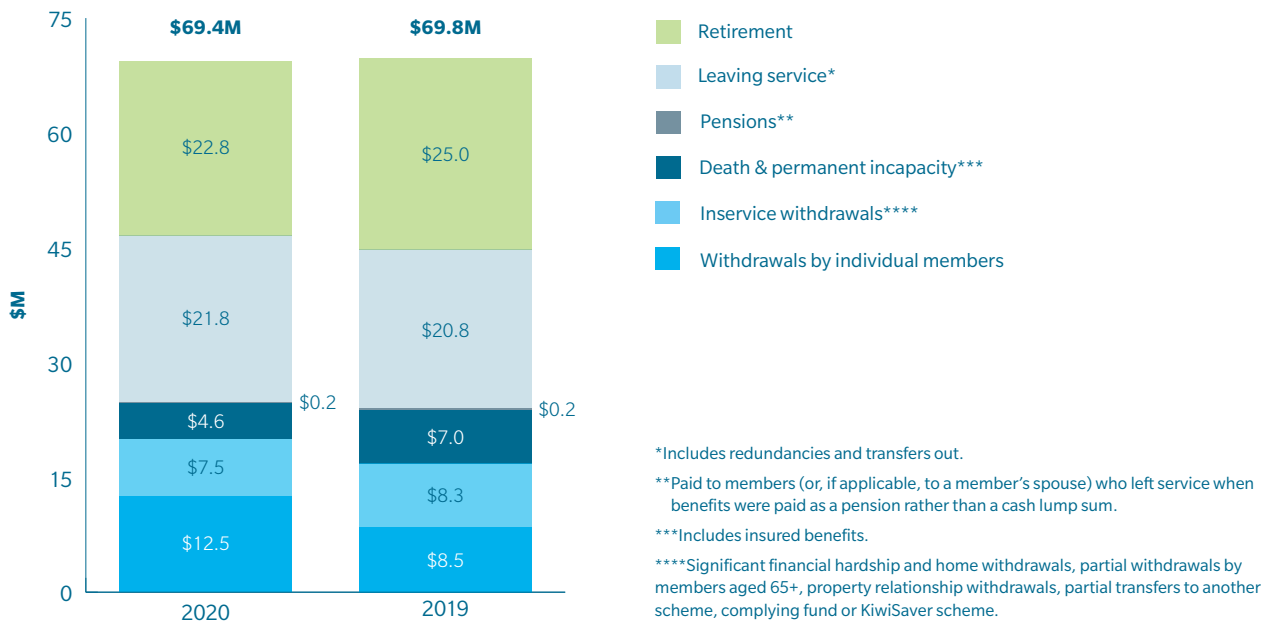


To find information about the Scheme on the Disclose Register, visit [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz).

- › Enter 'Dairy Industry Superannuation Scheme' to access the Scheme information.
- › Click 'Search offers' for documents such as the product disclosure statement and fund updates;
- › Click 'Search schemes' for documents including the annual report, financial statements, trust deed and statement of investment policy and objectives.

# Benefits paid during the year

The chart below shows a breakdown of the different benefits paid from the Scheme over each of the last two years. **This year, benefits paid to members totalled \$69.4M** (2019: \$69.8M).

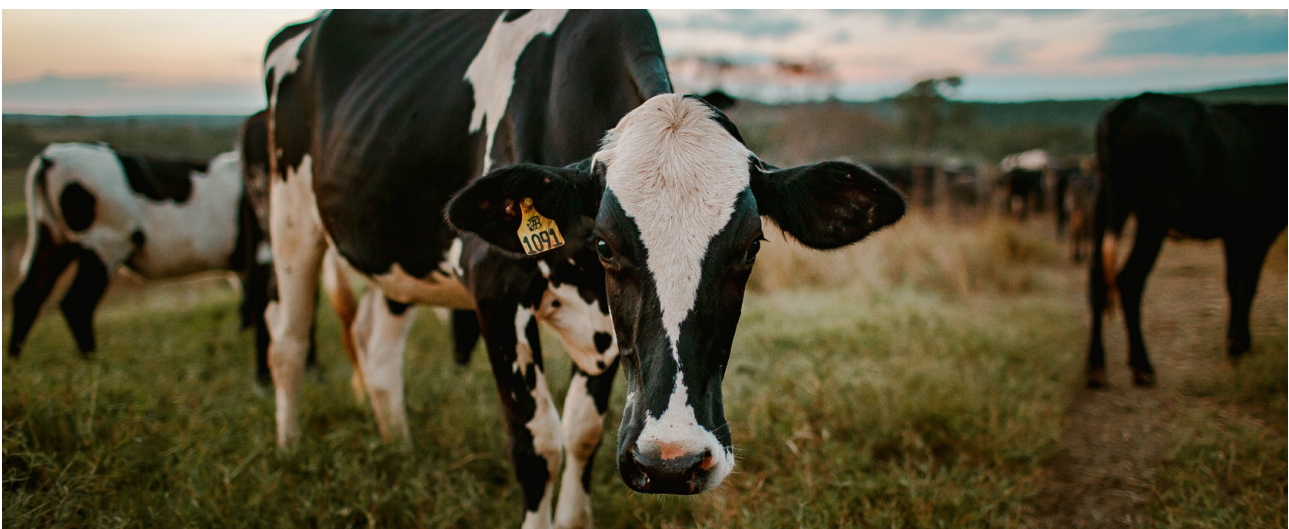


## Payment of your death benefit

You may nominate a beneficiary or beneficiaries as recipients of your benefit should you die while a member of the Scheme. For your nomination to be effective, it is important that you keep it up to date, particularly if your family or marital circumstances change. You can nominate more than one person and you can change this at any time by signing into the Scheme website and going to the Beneficiaries page or by completing and returning a new 'D4 Nomination of beneficiaries' form available on the Documents & forms page on [www.dairysuper.superfacts.co.nz](http://www.dairysuper.superfacts.co.nz) or by calling the Scheme helpline 0800 355 900.

While the Trustee will take your nominated beneficiaries into account, it has discretion to pay the benefit to anyone it determines was wholly or partially maintained by you at the date of your death and to anyone it decides you would have wished to be considered as a recipient. It also has discretion as to the amount paid to each beneficiary.

**Upcoming change:** The Trustee directors are currently considering changing the Scheme's death benefit policy to remove nomination of beneficiaries and instead having payments made to your estate. More information will be provided before any amendment takes effect.





# Cream on top

**Kia ora,**

**Most of you will know me as Angus McConnell, the recently retired Assistant Secretary of the Dairy Workers Union (DWU).**

**After leaving school and completing a panel beaters apprenticeship, I spent the rest of my working life – 45 years – as a DWU member working in the Dairy Industry. I have worked at Te Poi, Hautapu and Morrinsville Dairy Factories before becoming a DWU Organiser and then Assistant Secretary.**

**The Dairy Industry has provided me a great working life, good workmates and secure jobs with good wages and conditions. In my opinion, from my own experience and that of many other Dairy Workers, the single biggest and best benefit available to us is DISS (the Dairy Industry Superannuation Scheme).**

**I have not heard of any other Scheme in New Zealand (for ordinary workers) that is better than DISS, where if you put in 6% of your income, the employer puts in 9% and on top of that you get access to a Death and Disability Insurance of 3x your last years' income.**

**I, like most kiwis, would not have saved as much as I have done or got Life Insurance without access to DISS. It has provided my family and I peace of mind during my working life through access to Life Insurance. And, now in our retirement years we have a very healthy nest egg to pursue a few of our favourite pastimes like boating, fishing and travel; and to live out our retirement in relative comfort. Believe me – the Government provided pension is a great thing, but DISS is the cream on top!**

**If you have access to DISS – join! Check you are covered by DISS insurance and make a Will.**

**It only seems like yesterday I was 20 – and today I'm 65 and enjoying retirement!**

**Angus**





# Keeping an eye on costs and expenses

The Trustee regularly monitors the Scheme's costs and expenses to ensure that they are reasonable and competitive compared to most other savings options. There are three main elements to Scheme expenses:

## There are three main elements to Scheme expenses:

- 1 Investment related
- 2 Administration
- 3 Insurance premiums

### Investment related expenses

Total investment fees and expenses paid by the Scheme last year (including those paid to its consultant) amounted to \$3.8 million, compared to \$4.3 million the year before. Investment fees are related to the amount of money being managed. Total assets fell by almost 4% over the year, primarily a result of investment market falls in February and March 2020. At year-end, the percentage of the Scheme's assets allocated to each investment option was similar to the end of the previous financial year.

Investment fund	Cost per \$100 invested	
	2019/2020	2018/2019
Cash	12 cents	12 cents
Conservative	36 cents	38 cents
Balanced	58 cents	62 cents
Growth	64 cents	67 cents

A key measure is the cost for each dollar invested. The current investment related costs (including consulting fees) for the various investment options are summarised in the table opposite. On this basis, the costs of the diversified investment options have reduced compared to the previous year, a result of reductions in the fees for some of the underlying investment managers.

### Administration and operating expenses

Operating expenses for the Scheme span a wide range of services including, for example, administering member records, communications, directors' fees and legal advice.

Expense type	2019/2020 (\$000's)	2018/2019 (\$000's)
Administration and secretarial services	622	594
Member communications	88	64
Legal, tax and actuarial consulting	130	105
Audit	35	33
Trustee directors' fees and related costs	227	212
Financial Markets Authority (FMA) levy	54	52
Other expenses	9	3
<b>Total operating cost (before tax) excluding investment costs</b>	<b>1,165</b>	<b>1,063</b>
Total operating costs as % of funds managed	0.15%	0.14%
Total operating cost per member	\$148 (\$107 after tax)	\$135 (\$97 after tax)

### Insurance

The Scheme pays insurance premiums for members' death and permanent incapacity cover. Premiums paid for the year to 31 March 2020 totalled \$4.2 million covering 6,267 members.



# Information about the Scheme

## 1. Details of the Scheme

This is the annual report for the Dairy Industry Superannuation Scheme for the year ended 31 March 2020.

The Scheme is a restricted workplace savings scheme. The manager and trustee of the Scheme is Dairy Industry Superannuation Scheme Trustee Limited.

The Scheme's most recent product disclosure statement is dated 28 June 2019 and the Scheme is open for applications. A fund update dated 31 March 2020 for each of the investment options will be made publicly available by 30 July 2020.

The Scheme's latest financial statements are for the year ended 31 March 2020. They were authorised for issue on 8 July 2020, and were lodged (with the auditor's report on those financial statements) with the Registrar of Financial Service Providers on 9 July 2020.

Copies of the fund updates and the financial statements (including the auditor's report) are available on [www.dairysuper.superfacts.co.nz](http://www.dairysuper.superfacts.co.nz) or [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz).

## 2. Information on contributions and Scheme participants

This section provides a summary of changes in the membership of the Scheme over the year ended 31 March 2020.

### Membership details

	Contributing employee members	Members not contributing				Total non-contributory members	Total
		Employee members	Individual members	Preserved members	Pensioners		
<b>At 1 April 2019</b>	<b>7,153</b>	<b>427</b>	<b>145</b>	<b>105</b>	<b>41</b>	<b>718</b>	<b>7,871</b>
<b>Member status changes</b>							
Contributory status change	0	0	0	0	0	0	0
Transfer to Individual members' section	(26)	0	26	0	0	26	0
<b>Total status change</b>	<b>(26)</b>	<b>0</b>	<b>26</b>	<b>0</b>	<b>0</b>	<b>26</b>	<b>0</b>
<b>New members</b>							
New members	673	4	0	0	1	5	678
Transfers in from other schemes	0	0	0	0	0	0	0
<b>Total new members</b>	<b>673</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>5</b>	<b>678</b>
<b>Member exits</b>							
Retirements	(129)	(12)	0	(8)	0	(20)	(149)
Deaths	(6)	(1)	0	0	(8)	(9)	(15)
Transfers to other schemes	(1)	0	0	0	0	0	(1)
<b>Other</b>							
› Retrenchment/redundancy	(22)	(1)	0	0	0	(1)	(23)
› Permanent incapacity	(10)	(2)	0	0	0	(2)	(12)
› Leaving service/resignation	(310)	(13)	(14)	0	0	(27)	(337)
<b>Total member exits</b>	<b>(478)</b>	<b>(29)</b>	<b>(14)</b>	<b>(8)</b>	<b>(8)</b>	<b>(59)</b>	<b>(537)</b>
<b>At 31 March 2020</b>	<b>7,322</b>	<b>402</b>	<b>157</b>	<b>97</b>	<b>34</b>	<b>690</b>	<b>8,012</b>

### Members' accumulations

	1 April 2019	31 March 2020
Total members' accumulations	\$784,977,788	\$759,109,782
Number of members	7,871	8,012

### Contributions received during the year ended 31 March 2020

Type	Number of members	Total amount
Member contributions	7,816	\$35,554,705
Additional voluntary member contributions	495	\$1,521,568
Employer contributions	7,555	\$32,238,150
Government contributions (formerly called member tax credits)	451	\$214,169
		<b>\$69,528,592</b>

### Deaths

Sympathy is extended to the families of members and pensioners who have died.

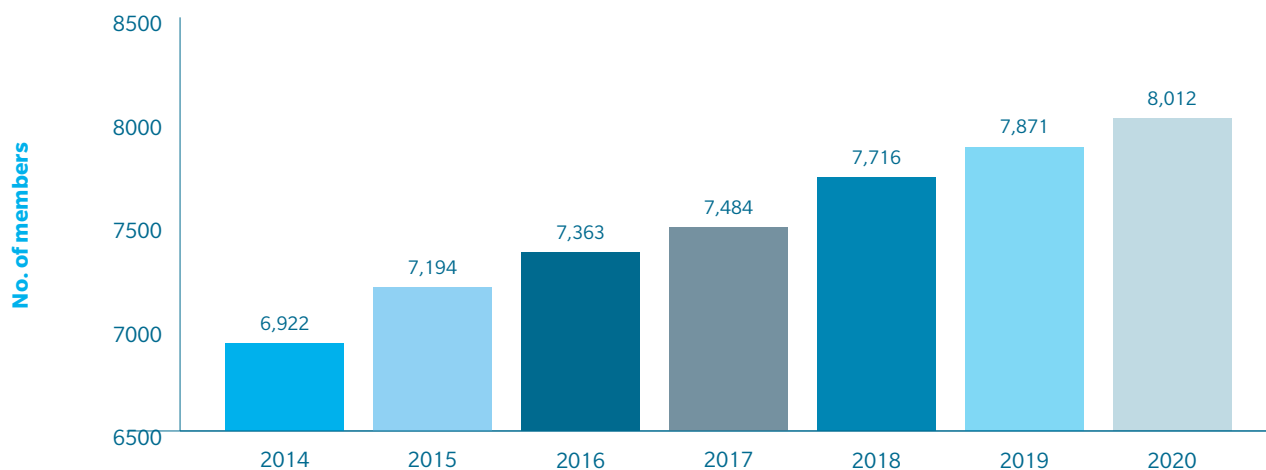
During the Scheme year, the following members died:

- › Elizabeth Anne Murphy, Fonterra
- › Jason Walter Joseph Hull, Fonterra
- › Herbert Haturini, Westland
- › Colin William Richardson, Fonterra
- › Michael John Saggors, Goodman Fielder
- › Lewis Roderick Duggan, Fonterra
- › Lee Aaron Williamson, Fonterra

The following pensioners died:

- › Isobel Mabel Cross
- › John Kenneth Matthews
- › Eric Aldie Neilson Mercer
- › Maurice Leslie Moor
- › Dorothy Joan Linn
- › Arthur Compton Maidment
- › Eileen Newbold
- › Athol Terrance Short

### Changes in membership over the last seven years



## 3. Changes relating to the Scheme

### Trust deed

There were no amendments made to the Scheme's trust deed during the year ended 31 March 2020.

### Terms of Offer of Interest in the Scheme

There have been no changes to the terms of offer of interests in the Scheme during the year.

### Statement of investment policy and objectives

The Scheme's statement of investment policy and objectives was updated on 5 February 2020 to incorporate the introduction of a new asset class and slight amendments to the Scheme's benchmarks.

### Related party transactions

Mercer (N.Z.) Limited (Mercer) as administrator of the Scheme is regarded as a related party in terms of the FMC Act. Mercer provides the Scheme with a range of services including administration, secretarial, investment consulting and funds management.

There were no changes to the nature or scale of the related party transactions in respect of the Scheme. All related party transactions entered into during the accounting period were on arm's length commercial terms.



## 4. Other information for particular types of managed funds

### Withdrawals

During the year to 31 March 2020, the following members made withdrawals from the Scheme:

Leaving service		In-service	
Retirements	149	Significant financial hardship	23
Leaving service/resignation	337	First home withdrawal	115
Retrenchment/redundancy	23	Partial transfer to another complying superannuation fund/KiwiSaver scheme	2
Deaths	15	Property (Relationships) Act	13
Transfers to other schemes	1	Partial withdrawal by members aged 65+	85
Permanent incapacity	12	Regular partial withdrawal	7
		Retained partial withdrawals	49
<b>Total members who made leaving service withdrawals</b>	<b>537</b>	<b>Total members who made in-service withdrawals</b>	<b>294</b>

### Employer contributions

The amounts of employer contributions paid have been in accordance with the recommendations contained in the most recent actuarial report for the Scheme.

### Summary of triennial statutory actuarial valuation report as at 31 March 2018

The most recent triennial actuarial valuation of the Scheme was carried out as at 31 March 2018 in a report dated 2 October 2018. The report concluded that the Scheme's assets were equal to the accrued benefit liabilities, and as at 31 March 2018 the assets were more than the value of the total vested benefits. The report noted that, if the future experience of the Scheme is in line with the assumptions made and no additional contributions were paid by the Employers (other than those required under the Trust Deed for Allocated members), it was expected that the assets would be equal to the accrued benefit liabilities at the next valuation.

The report also recommended that the next actuarial valuation be carried out no later than 31 March 2021.

### Declared interest rates for the year to 31 March 2020

The declared interest rates are the rates applied to benefits paid out during the year:

Month Ending	Cash	Cash/ Conservative	Conservative	Conservative/ Balanced	Balanced	Balanced/ Growth	Growth
<b>2019</b> April	0.10%	0.36%	0.63%	1.02%	1.40%	1.64%	1.88%
May	0.18%	0.31%	0.44%	0.44%	0.44%	0.40%	0.36%
June	0.27%	0.82%	1.36%	1.79%	2.22%	2.39%	2.57%
July	0.36%	1.18%	1.99%	2.66%	3.33%	3.64%	3.94%
August	0.45%	1.49%	2.53%	3.18%	3.82%	4.03%	4.25%
September	0.54%	1.71%	2.88%	3.77%	4.67%	5.05%	5.44%
October	0.56%	1.74%	2.93%	3.98%	5.02%	5.50%	5.97%
November	0.58%	2.04%	3.52%	4.94%	6.36%	7.09%	7.82%
December	0.60%	2.02%	3.45%	5.05%	6.67%	7.49%	8.32%
<b>2020</b> January	0.69%	2.39%	4.11%	5.77%	7.46%	8.26%	9.06%
February	0.78%	1.93%	3.09%	3.78%	4.46%	4.61%	4.76%
March	<b>0.92%</b>	<b>0.00%</b>	<b>-0.96%</b>	<b>-2.48%</b>	<b>-4.03%</b>	<b>-5.00%</b>	<b>-5.98%</b>

Example: Say Pat resigns in December, after the rates for November have been declared. Pat's savings are invested in the Balanced fund, so the declared interest rate applied to Pat's benefit will be 6.36%.



### Manager's statement

The Trustee as manager of the Scheme states that:

- › All contributions required to be made to the Scheme in accordance with the terms of the Scheme's trust deed have been made.
- › All the benefits required to be paid from the Scheme in accordance with the terms of the Scheme's trust deed have been paid.
- › The market value of the Scheme's property at 31 March 2020 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 2020.

On behalf of the Trustee:



**Tim McGuinness**

28 July 2020

---

### Locked-in complying fund section

The following sentences relate only to the Locked-In section. At 31 March 2020, the market value of the assets subject to the complying fund rules totalled \$20,398,007 relating to 893 members. The value of withdrawals subject to complying fund rules made during the year totalled \$2,227,696.

## 5. Changes to persons involved in the Scheme

### Trustee directors

The directors of the Trustee as at 31 March 2020 were:



**Mark Apiata-Wade**



**Bruce Kerr**  
(Licensed Independent  
Trustee)



**Tim McGuinness**  
(Chairman)



**David Scott**



**Andy Williams**



**Patrice Wynen**



**Bonita McCarthy**

Further information about the Trustee is available from the Scheme website [www.dairysuper.superfacts.co.nz](http://www.dairysuper.superfacts.co.nz).

### Trustee director changes

During the year, Bonita McCarthy was appointed as a Trustee director effective 5 August 2019.

### Who else is involved?

There were no changes to the Scheme's service providers during the year. These providers are:

Title	Name	Role
<ul style="list-style-type: none"> <li>› Administration manager</li> <li>› Actuary</li> <li>› Investment consultant</li> <li>› Scheme Secretary</li> <li>› Securities registrar</li> </ul>	Mercer (N.Z.) Limited	<ul style="list-style-type: none"> <li>› Looks after the day-to-day running of the Scheme</li> <li>› Advises the Trustee about the Scheme's funding position</li> <li>› Provides investment advice and recommendations</li> <li>› Supports and assists the Trustee directors</li> <li>› The holder of the Scheme's member register</li> </ul>
Auditor	KPMG	Audits the Scheme's financial statement and the member register
Custodian	Dairy Industry Superannuation Scheme Trustee Limited	Holds the assets of the Scheme
Insurer	AIA New Zealand Limited	Insures the insured portion of the death and permanent incapacity benefits
Underlying fund managers	<ul style="list-style-type: none"> <li>› AMP Capital Investors (NZ) Limited</li> <li>› ANZ New Zealand Investments Limited</li> <li>› Harbour Asset Management Limited</li> <li>› Mercer (N.Z.) Limited</li> <li>› Nikko Asset Management Limited</li> <li>› Russell Investment Group Limited</li> </ul>	Responsible for investing the assets of the underlying fund (in which the Scheme invests).

Details of the changes to the directors of the Trustee are set out above. There have been no changes to the key personnel of the Trustee.



## 6. How to find further information

You can find further information relating to the Scheme, including financial statements, annual reports, annual fund updates, the Scheme's trust deed and statement of investment policy and objectives, in the offer register and the scheme register at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz) (search Dairy Industry Superannuation Scheme).

A copy of the information on the offer register and scheme register is available on request from the Registrar of Financial Service Providers at [www.fsp-register.companiesoffice.govt.nz](http://www.fsp-register.companiesoffice.govt.nz).

The above information is also available free of charge on our website at [www.dairysuper.superfacts.co.nz](http://www.dairysuper.superfacts.co.nz) or by contacting the Scheme Secretary whose contact details are set out below.

## 7. Contact details and complaints

If you have any questions or would like further information about the Scheme, please call the Helpline or you can contact the Trustee through the Scheme Secretary.

**Call:** 0800 355 900 during normal business hours.

### Write to:

Scheme Secretary  
Dairy Industry Superannuation Scheme  
C/- Mercer (N.Z.) Limited  
Level 2, 20 Customhouse Quay  
PO Box 2897, Wellington 6011

### How to complain

You can lodge a complaint with the Trustee through the Scheme Secretary.

The Scheme is a member of an approved dispute resolution scheme operated by Financial Services Complaints Limited (FSCL).

If you have complained to the Trustee and you have reached the end of our internal complaints process without your complaint being resolved to your satisfaction, FSCL may be able to consider your complaint.

To contact FSCL:

Call: 0800 347 257 during normal business hours

Email: [complaints@fscl.org.nz](mailto:complaints@fscl.org.nz)

Write to: Financial Services Complaints Limited, PO Box 5967, Level 4, 101 Lambton Quay, Wellington 6140.

FSCL will not charge a fee to investigate or resolve a complaint.

Full details of how to access the FSCL scheme can be obtained on their website [www.fscl.org.nz](http://www.fscl.org.nz).

### Scheme Secretary

Derek Vincent continues as Scheme Secretary. Contact Derek if you would like to correspond with the Trustee, have any questions about this report, or for a copy of the Scheme's audited financial statements. Copies of the Scheme's statement of investment policy and objectives are also available free of charge from Derek.



Derek can be contacted at:

Freephone: 0800 355 900

Telephone: (04) 819 2600

Facsimile: (04) 914 0434

PO Box 2897, Wellington 6140

You can also contact the Securities Registrar (Mercer (N.Z.) Limited) at the same address and telephone number.





Waikato/BOP Regional Delegates Meeting.



DWU Staff and Westland Milk Products Delegates at CEA negotiations.



Darryn Anderson, Julie Bengston and Rama Phillips at the Central Regional Delegates Meeting / DWU Runanga/Fono and Women's Committee Reps at the Central Regional Delegates Meeting






Fonterra Tanker Drivers



Darfield Plant

**Got Questions?**

 [www.dairysuper.superfacts.co.nz](http://www.dairysuper.superfacts.co.nz)

 0800 355 900



**dairy industry**  
superannuation scheme