

# Beca Group Superannuation Plan Fund Update

## For the year ended 31 August 2023

This fund update was first made publicly available on 30 November 2023

### What is the purpose of this update?

This document tells you how the Beca Group Superannuation Plan (**fund**) has performed and what fees were charged. The document will help you to compare the fund with other funds. BGS Trustee Limited 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

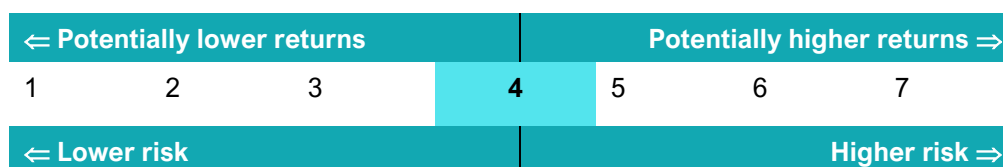
The fund has a diversified investment strategy with a target investment mix that is that has a higher percentage invested in growth than in income assets. It aims to achieve an average after-tax return over the medium term (5 to 7 years) of 2.5% per annum more than the inflation rate (as measured by increases in the Consumers Price Index) over the same period. The fund also aims to achieve returns that rank in the top 50% overall of the returns achieved by comparable KiwiSaver funds (as determined by the Trustee's Investment Consultant Melville Jessup Weaver) over the medium term.

Total value of the fund	\$137,426,307
Number of investors in the fund*	165
The date the fund started	30 April 1973

\*The investors in the fund include **BGS Trustee Limited** in its capacity as the trustee of the **Beca Super Scheme** (which as a "trustee member" held a balance in the fund as at 31 August 2023 of \$97,154,437).

### What are the risks of investing?

Risk indicator for the Beca Group Superannuation Plan



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 August 2023. 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.

## Risks for investing in the fund

The general risks associated with investing in the fund include:

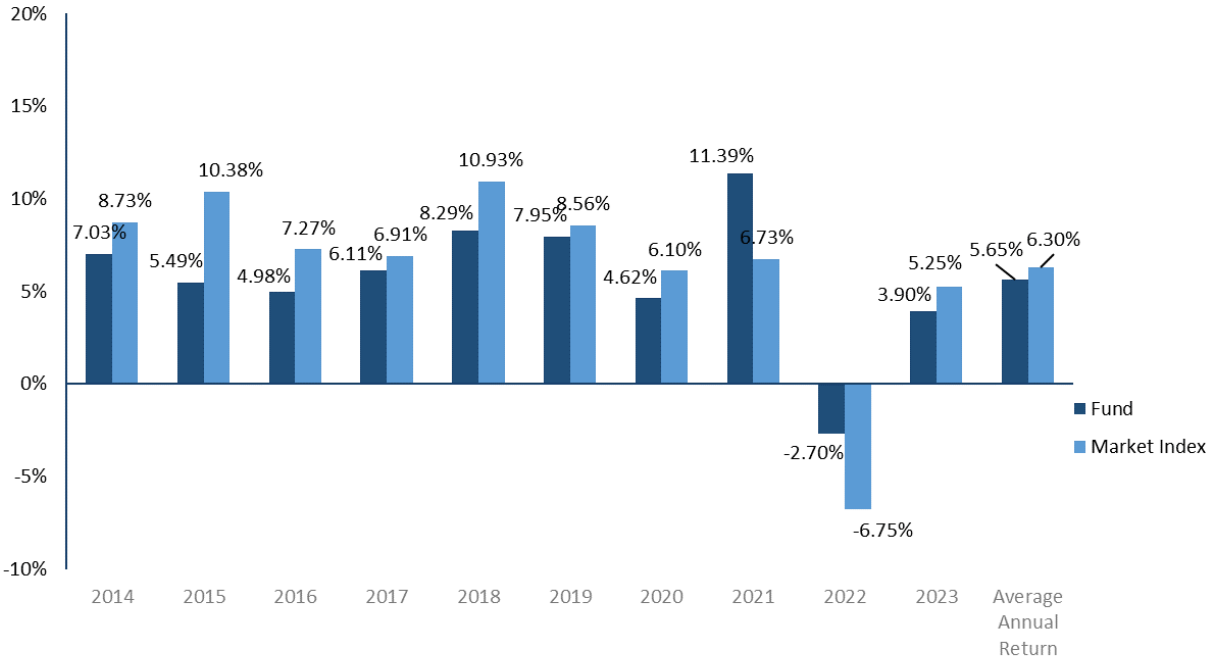
- \* **Asset allocation risk:** the main determinant of risk is the mix of growth and income assets – growth assets (like equities) are generally considered more risky than income assets (like fixed interest) and more likely to produce negative short-term returns
- \* **Market risk:** market sentiment, inflation, interest rates, employment, political events, environmental and technological issues, pandemic illnesses or natural disasters affecting value – we seek to reduce this risk by diversifying (currently) across equities, alternative assets, fixed interest and cash
- \* **Manager risk:** investment decisions made by the managers of the investment funds in which we invest (and by other underlying fund managers where relevant) resulting in returns differing from a relevant index and from competing investments – we seek to reduce this risk by reviewing manager appointments from time to time
- \* **Currency risk:** fluctuating exchange rates affecting international returns – currently we seek to reduce this risk by requiring prescribed portions of our international investments to be ‘hedged’ to protect against exchange rate fluctuations
- \* **Interest rate risk:** interest rates rising, causing fixed interest investments to decrease in value because of the way interest rates affect debt securities
- \* **Credit risk:** where we invest in fixed interest or cash or cash equivalents, a borrower defaulting or being unable to meet its financial obligations (resulting in reduced returns or inability to recover the full amount invested) – currently we seek to reduce this risk as described in the Statement of Investment Policy and Objectives (**SIPO**)
- \* **Liquidity risk:** markets becoming illiquid, meaning we cannot sell assets when we want to, or can only sell them at a discount, to enable withdrawals (some assets are more difficult to sell than others, especially when market conditions deteriorate)
- \* **Specific investment risk:** equities in which we invest under-performing due to poor corporate management, competitive activity or economic factors (or being unable to pay dividends or distributions) – currently we seek to reduce this risk as described in our SIPO.

## How has the Fund performed?

	Average over past 5 years	Past year
<b>Annual return</b> (after deductions for charges and tax)	4.93%	3.90%
<b>Annual return</b> (after deductions for charges but before tax)	5.21%	4.32%
<b>Market index annual return</b> (reflects no deduction for charges and tax)	3.83%	5.25%

The market index on which the market index annual return is based is a composite index. That index comprises the benchmark indices used to measure the fund’s performance by asset type, weighted according to the fund’s target investment mix. The benchmark indices currently comprising the market index are set out in the statement of investment policy and objectives on the offer register at <https://disclose-register.companiesoffice.govt.nz/>. The market index annual return provides a relative measure of the fund’s performance.

### Annual Returns



This shows the return after fund charges and tax for each of the last 10 years ending 31 August. The last bar shows the average annual return for the last 10 years, up to 31 August 2023.

**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) for an individual New Zealand resident. Your tax may be lower.

#### What fees are investors charged?

Investors in the Beca Group Superannuation Plan are charged fund charges. In the year to 31 August 2023 these were:

	% of net asset value
<b>Total fund charges</b>	0.52%
Which are made up of -	
<b>Total management and administration charges</b>	0.52%
Including -	
Manager’s basic fee	0.00%
Other management and administration charges	0.52%
<b>Total performance-based fees</b>	0.00%
Other	Dollar amount per investor
None	\$0.00

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

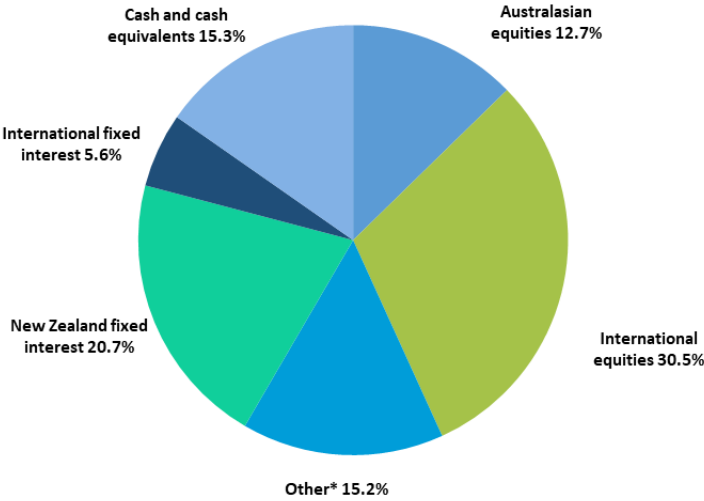
**Example of how this applies to an investor**

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 received a return, after fund charges were deducted, of \$432 (that is 4.32% of her initial \$10,000). Mary paid no other charges. This gives Mary a total return after tax of \$390 for the year.

**What does the Fund invest in?**

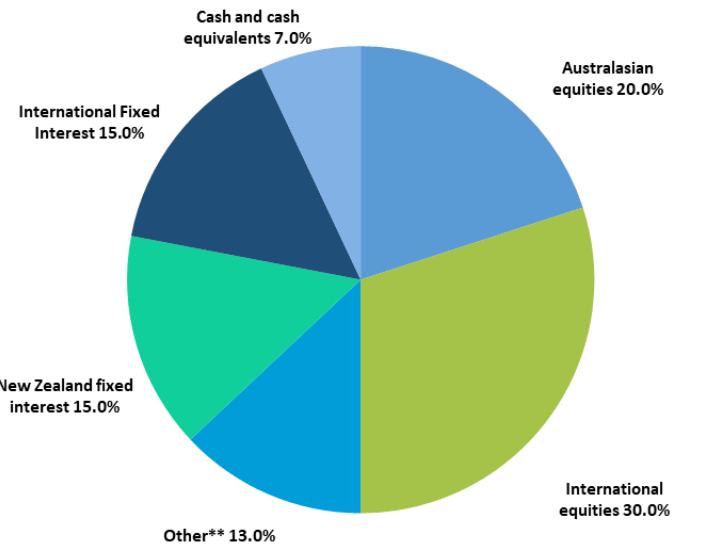
This shows the types of assets that the fund invests in.

**Actual Investment Mix**



\*The term *Other* in this pie graph refers to international listed infrastructure assets and investments in managed investment products that do not fall within (or predominantly within) any other asset class or classes.

**Target Investment Mix**



\*\*The term *Other* in the preceding pie graph may include commodities, international listed and unlisted infrastructure investments, listed and unlisted property and managed investment products. As such, this 5%

portion of the fund's target asset allocation does not fall within (or predominantly within) any particular asset class or classes.

### Top 10 investments

Asset name	% of fund net assets	Asset type	Country	Credit rating (if applicable)
Nikko AM Wholesale Global Equity Fund	13.34%	International Equities	New Zealand	n/a
Mercer Macquarie Capital Global Listed Infrastructure Fund	8.48%	Other	New Zealand	n/a
Salt Sustainable Global Shares Fund	7.62%	International Equities	New Zealand	n/a
Fiera Global Companies Fund	7.59%	International Equities	Australia	n/a
Salt Sustainable Infrastructure Fund	6.39%	Other	New Zealand	n/a
Mercer Macquarie Capital NZ Short Duration Fund	6.21%	New Zealand Fixed Interest	New Zealand	n/a
Nikko AM Global Bond Fund	5.22%	International Fixed Interest	New Zealand	n/a
Mercer Macquarie NZ Cash Fund	2.89%	Cash and Cash Equivalents	New Zealand	n/a
Beca Group Limited (ordinary and redeemable shares)	2.76%	Australasian Equities	New Zealand	n/a
SALT Sustainable Income Fund	2.48%	Diversified fund	New Zealand	n/a

The top 10 investments make up 62.98% of the net asset value of the fund.

The fund's foreign currency hedging limits are as follows:

- International Fixed Interest - any directly held International Fixed Interest investments must be hedged within the range of 95% to 105% where they expose the fund to Fixed Interest assets denominated in any one currency which are, in aggregate, greater than NZD 1,000,000 or 1% of the net assets of the fund (whichever is greater). Where investments in International Fixed Interest are made through managed investment schemes, this constraint will not apply and the hedging approach will be dictated by the underlying investment manager.
- International Equities (and Australian Equities) - these investments must be hedged within the range of 30% to 100% where they expose the fund to equity assets denominated in any one currency which are, in aggregate, greater than NZD 1,000,000 or 1% of the net assets of the BGSP, whichever is greater (and for the purposes of benchmarking the fund's performance in those sectors, a neutral currency hedging position is considered to be 65%).

**Key Personnel**

<b>Name</b>	<b>Current Position</b>	<b>Time in current position</b>
Richard Aitken	Director of BGS Trustee Limited (Trustee)	19 years and 6 months
Paul Drummond	Director of BGS Trustee Limited and Licensed Independent Trustee	7 years and 0 months
Mark Fleming	Director of BGS Trustee Limited	19 years and 6 months
Chye Heng	Director of BGS Trustee Limited	19 years and 6 months
Jilnaught Wong	Director of BGS Trustee Limited	4 years and 6 months

**Further Information**

You can also obtain this information and some additional information from the offer register at <https://disclose-register.companiesoffice.govt.nz/>