



# Fund update

## SIL Mutual Fund Employer Lump Sum Scheme

### **SIL Employer Conservative Balanced Fund**

Year ending 30 June 2026

This fund update was first made publicly available on: 30 September 2026

### What is the purpose of this update?

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

Mercer (N.Z.) Ltd was appointed by Superannuation Investments Limited to provide administration, investment management and related services to the scheme from 2 March 2026.

### Description of this fund

The SIL Employer Conservative Balanced Fund invests mainly in income assets (cash and cash equivalents and fixed interest) with some exposure to growth assets (equities, infrastructure and property). The fund can also have a small exposure to listed property.

The SIL Employer Conservative Balanced Fund aims to achieve a return (after the fund charge and before tax) on average over rolling five-year periods that outperforms the consumer price index by 3.0% pa.

|                               |              |
|-------------------------------|--------------|
| Total value of the fund       | \$877,888    |
| Number of members in the fund | 21           |
| The date the fund started     | 11 June 2008 |

### What are the risks of investing?

Risk indicator for the SIL Employer Conservative Balanced Fund:



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.silfunds.co.nz/riskquiz](http://www.silfunds.co.nz/riskquiz)

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 5 years to 30 June 2026. 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.

Specific risks which relate to Mercer's particular approach to management of the funds' investments are summarised as follows:

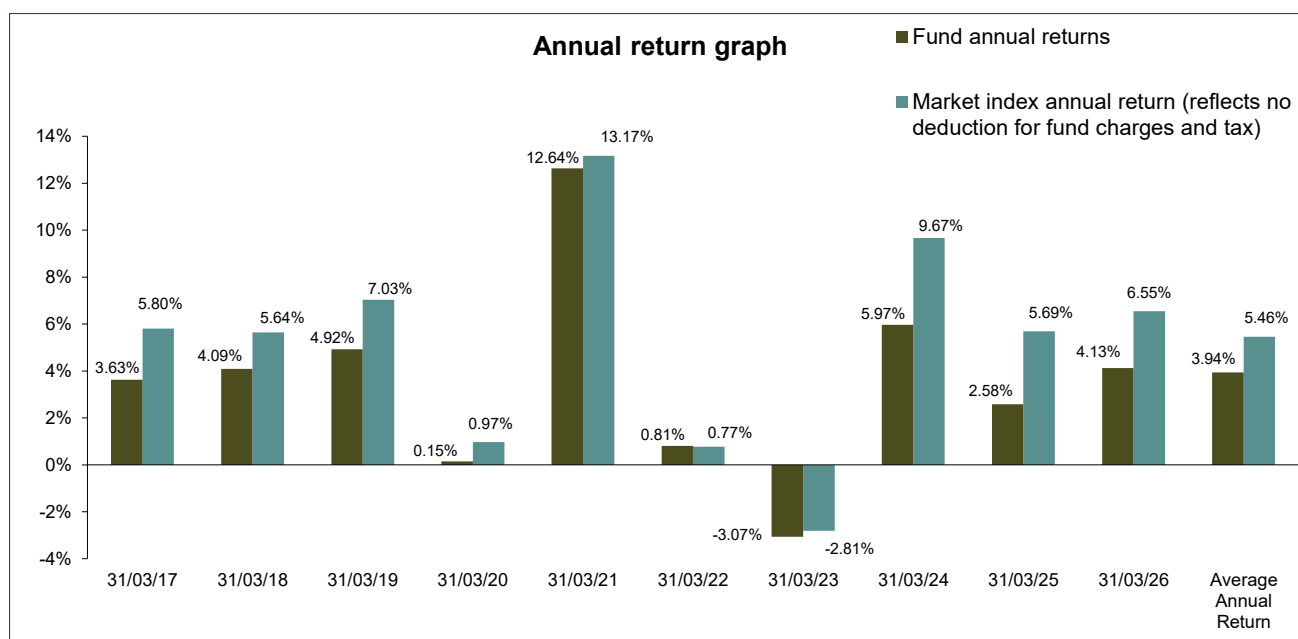
**Manager of managers:** Mercer is a "manager of managers" and therefore there is the risk that a manager we select underperforms, resulting in lower returns than the relevant market or objective. To reduce this risk, we have a thorough manager research and monitoring process, and we also diversify across a number of managers.

## How has the fund performed?

|                                                                                          | Average over past 5 years | Past year |
|------------------------------------------------------------------------------------------|---------------------------|-----------|
| <b>Annual return</b><br><i>(after deductions for charges and tax)</i>                    | 2.50%                     | 6.98%     |
| <b>Annual return</b><br><i>(after deductions for charges but before tax)</i>             | 2.96%                     | 7.92%     |
| <b>Market index annual return</b><br><i>(reflects no deductions for charges and tax)</i> | 4.38%                     | 8.70%     |

The market index annual return is calculated using the target investment mix and the indices of each asset class.

Additional information about the market index is available in the Statement of Investment Policy and Objectives on the scheme 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 30 June 2026.

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

## What fees are investors charged?

Investors in the SIL Employer Conservative Balanced Fund are charged fund charges. In the year to 30 June 2026 these were:

|                                                    | % of net asset value |
|----------------------------------------------------|----------------------|
| <b>Total fund charges<sup>1</sup></b>              | <b>0.88%</b>         |
| Which are made up of:                              |                      |
| <b>Total management and administration charges</b> | <b>0.88%</b>         |
| Including:                                         |                      |
| Manager's basic fee                                | 0.77%                |
| Other management and administration charges        | 0.11%                |
| <b>Total performance-based fees</b>                | <b>0.00%</b>         |

Investors are not currently charged individual action fees for specific actions or decisions (for example, for withdrawing from the fund).

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

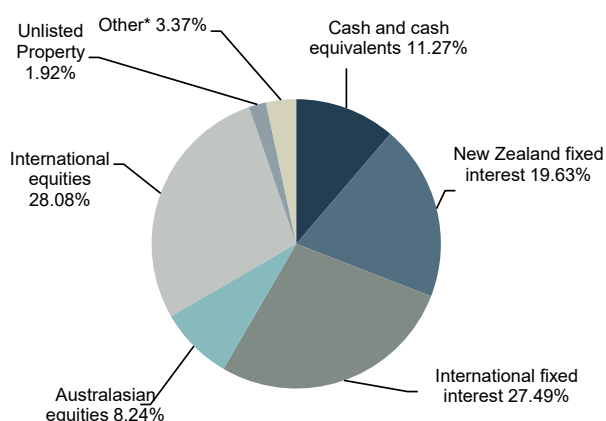
## Example of how this applies to an investor

Sarah 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, Sarah received a return after fund charges were deducted of \$698.00 (that is 6.98% of her initial \$10,000). Sarah did not pay any other charges. This gives Sarah a total return after tax of \$698.00 for the year.

## What does the fund invest in?

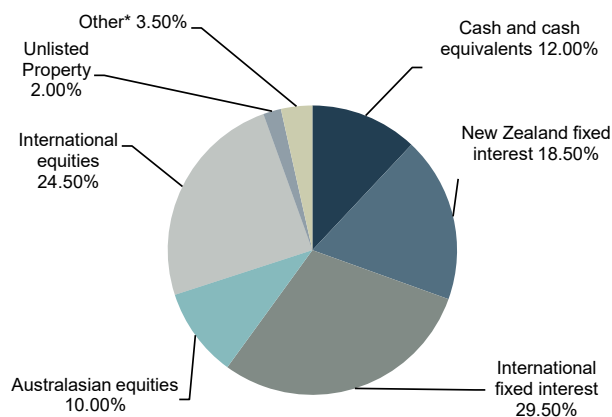
### Actual investment mix<sup>2</sup>

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.



\*Includes listed and unlisted infrastructure assets

### Top 10 Investments<sup>3</sup>

|    | Name                                           | % of fund net assets | Type                       | Country     | Credit rating<br>(if applicable) |
|----|------------------------------------------------|----------------------|----------------------------|-------------|----------------------------------|
| 1  | New Zealand Government Bond 0.25% 15/05/2028   | 2.79%                | New Zealand fixed interest | New Zealand | AAA                              |
| 2  | New Zealand Government Bond 3.0% 20/04/2029    | 2.74%                | New Zealand fixed interest | New Zealand | AAA                              |
| 3  | New Zealand Government Bond 3.50% 14/04/2033   | 1.85%                | New Zealand fixed interest | New Zealand | AAA                              |
| 4  | Fisher & Paykel Healthcare Corporation Limited | 1.55%                | Australasian equities      | New Zealand | NA                               |
| 5  | New Zealand Government Bond 4.25% 15/05/2034   | 1.52%                | New Zealand fixed interest | New Zealand | AAA                              |
| 6  | New Zealand Government Bond 1.50% 15/05/2031   | 1.51%                | New Zealand fixed interest | New Zealand | AAA                              |
| 7  | New Zealand Government Bond 4.50% 15/05/2030   | 1.43%                | New Zealand fixed interest | New Zealand | AAA                              |
| 8  | New Zealand Government Bond 1.75% 15/05/2041   | 1.32%                | New Zealand fixed interest | New Zealand | AAA                              |
| 9  | Infratil Limited                               | 1.31%                | Australasian equities      | New Zealand | NA                               |
| 10 | New Zealand Government Bond 2.00% 15/05/2032   | 1.29%                | New Zealand fixed interest | New Zealand | AAA                              |

The top 10 investments make up 17.31% of the fund.

### Currency Hedging

Currency hedging can apply to some of the asset classes this fund invests in. The level of currency hedging for global shares is managed between 0% and 100% may change over time. Other global assets classes (Global Fixed Interest and Real Assets), target a 100% net of tax hedge to the New Zealand dollar. Refer to the Statement of Investment Policy and Objectives for more information which is available from [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz).

Hedging coverage for the Fund's exposure to foreign currency as at 30 June 2026 was 76.16%.

## Key personnel

| Name             | Current position                                               | Time in current position | Previous/other position                                                         | Time in previous/other position |
|------------------|----------------------------------------------------------------|--------------------------|---------------------------------------------------------------------------------|---------------------------------|
| Kylie Willment*  | Chief Investment Officer, Pacific - Mercer Australia (Pty) Ltd | 8 years 8 months         | Senior Manager, Investment & Client Strategy - TCorp (NSW Treasury Corporation) | 17 years 0 months               |
| Del Hart*        | Chief Investment Officer - Mercer (N.Z.) Ltd                   | 0 years 4 months         | Head of External Investments and Partnerships - NZ Super Fund                   | 15 years 0 months               |
| Robert Kavanagh* | Head of Portfolio Management NZ - Mercer (N.Z.) Ltd            | 12 years 3 months        | Vice President - Account Management, PIMCO Australia Pty Limited                | 7 years 0 months                |

\*Key personnel not named in a previous fund update for the fund due to a change in investment management.

## Further information

You can also obtain this information and some additional information from the Scheme register at **[www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz)**.

## Notes

1. GST may be included in some expenses. GST will be included in fees where applicable.
2. For the reporting of the types of assets under Actual investment mix, cash retained for liquidity management at a sector level is assigned to the asset class to which it relates.
3. The Top 10 investments have been calculated excluding cash retained for liquidity purposes.

## Got any questions?

Visit our website **[www.silfunds.co.nz](http://www.silfunds.co.nz)** or call our Helpline on **0800 405 845** (if calling from within New Zealand).

If you're calling from overseas you can contact us on **+64 9 887 6877**. Helpline hours are from 9am to 7pm, Monday to Friday except for national public holidays.