

This is a replacement fund update. It replaces the 31 March 2022 fund update for the Super Steps (Age 59) investment option first made publicly available on 30 June 2022. The annual return (after deductions for charges and tax) for Super Steps (Age 59) for 2022 has been corrected. The correct return for 2022 is 0.38%, which replaces the previously disclosed return of 0.54%. As a consequence of this correction, the 5-year average return (after deductions for charges and tax) stated in the table under the heading 'How has the fund performed?' and the 10-year average return under the heading 'Annual return graph' have been recalculated. The returns example under the heading 'Example of how this applies to an investor' has also been adjusted to reflect the correct annual after-tax loss that applied to the example investor for the scheme year ended 31 March 2022.

What is the purpose of this update?

This document tells you how the Super Steps (Age 59) investment option has performed and what fees were charged. The document will help you to compare the fund with other funds. PSS Trustees Limited prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

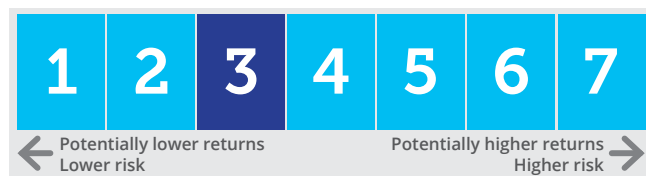
Description of this fund

With Super Steps, your contributions and account balances in the scheme are invested automatically in one or a combination of Growth, Balanced or Stable depending on your age. The underlying principle of Super Steps is to reduce your risk/return profile progressively over time using three options – Growth, Balanced and Stable – as building blocks. With Super Steps, you are invested in Growth until you reach the age of 45. From the age of 45, your investment mix changes automatically each year as you get older. This option is invested as follows: 38% Balanced and 62% Stable.

Total value of the fund	\$2,708,701
Number of investors in the fund	10
The date the fund started	1 December 2010

What are the risks of investing?

Risk indicator for Super Steps (Age 59)



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.policessuper.co.nz. Look for the risk profiler under 'forms and resources'.

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 past 5 years. 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) available at www.policessuper.co.nz and on the offer register at www.disclose-register.companiesoffice.govt.nz for more information about the risks associated with investing in this fund.

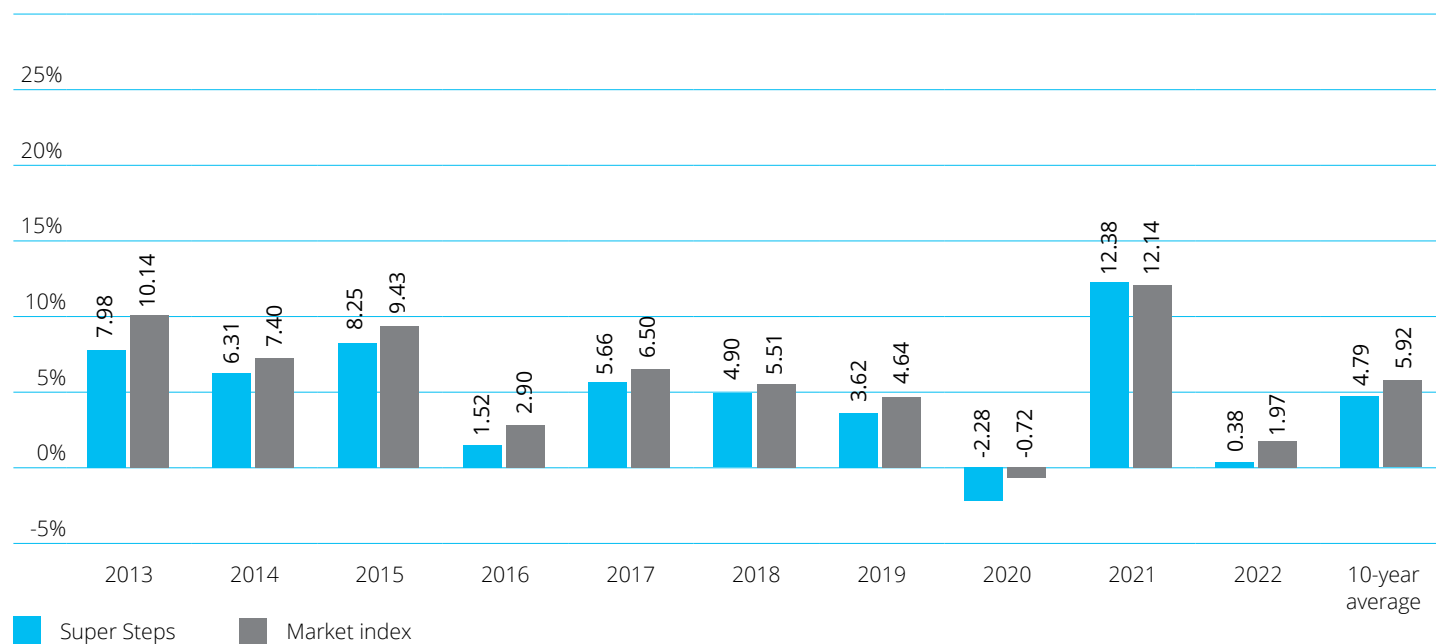
How has the fund performed?

	Average over past 5 years	Past year
Annual return (after deductions for charges and tax)	3.68%	0.38%
Annual return (after deductions for charges but before tax)	4.51%	0.73%
Market index annual return (reflects no deduction for charges and tax)	4.62%	1.97%

The market index annual return is based on the returns of a composite index. The composite index is made up of the individual asset class benchmark indices used to measure the performance of each underlying fund/asset class into which the fund invests. Accordingly, the market index annual return for each of the funds is a composite return, calculated using the weighted average return of the benchmark indices used to measure the performance of the underlying funds/assets into which each fund invests. The weighting for each benchmark within the composite is equal to the strategic asset allocation weighting for that asset class. This market index return provides a relative measure of the fund's performance.

Further information about the market index is available on the offer register at www.disclose-register.companiesoffice.govt.nz.

Annual return graph



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 2022.¹

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.²

What fees are investors charged?

Investors in Super Steps (Age 59) are charged fund charges. In the year to 31 March 2022, these were as follows:

	% of net asset value
Total fund charges	0.42
Which are made up of:	
Total management and administration charges	0.42
Including:	
Manager's basic fee	0.33
Other management and administration charges	0.09
Other charges	Dollar amount per investor
Administration fee	\$66 per annum

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

Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). See the Police Superannuation Scheme PDS for more information about these fees.

Example of how this applies to an investor

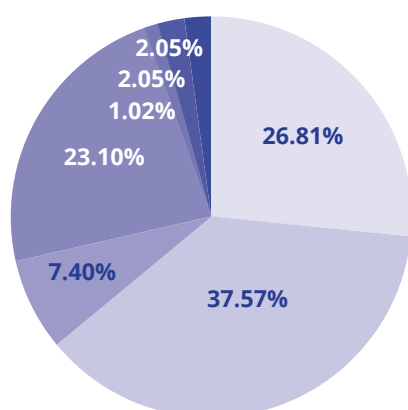
Mary had \$10,000 in the fund at the start of the year and did not make any further contributions. At the end of the year, Mary received a return after fund charges* were deducted of \$73 (that is 0.73% of her initial \$10,000). Mary also paid \$66 in other charges. This gives Mary a total loss after tax of \$28 for the year.

* but before tax

What does the fund invest in?

Actual investment mix³

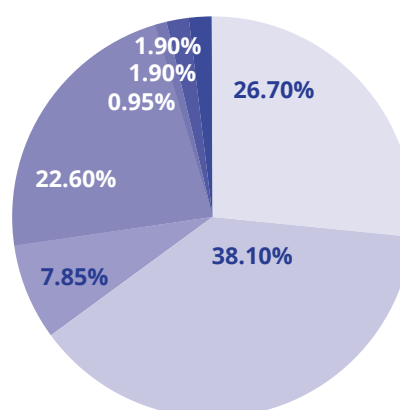
This shows the types of assets that the fund invests in.



Asset type	Allocation
Cash and cash equivalents	26.81%
International fixed interest	37.57%
Australasian equities	7.40%
International equities	23.10%
Listed property	1.02%
Commodities	2.05%
Other ⁴	2.05%

Target investment mix

This shows the mix of assets the fund generally intends to invest in.



Asset type	Allocation
Cash and cash equivalents	26.70%
International fixed interest	38.10%
Australasian equities	7.85%
International equities	22.60%
Listed property	0.95%
Commodities	1.90%
Other ⁴	1.90%

Top 10 investments³

Asset name	% of fund net assets	Type	Country	Credit rating
First Sentier Investments Global Listed Infrastructure Fund	2.05%	Other	New Zealand	N/A
Bank of New Zealand RCD maturing 01/06/2022	2.05%	Cash and cash equivalents	New Zealand	AA-
BNP Paribas US Dollar Account	1.97%	International equities	United States	N/A
Bank of New Zealand RCD maturing 19/04/2022	1.28%	Cash and cash equivalents	New Zealand	AA-
Westpac New Zealand Limited RCD maturing 19/07/2022	1.15%	Cash and cash equivalents	New Zealand	AA-
Outstanding Settlement Receipts – USD	1.09%	International equities	United States	N/A
FX Positions	1.00%	International equities	New Zealand	N/A
ASB Bank Limited RCD maturing 05/07/2022	0.89%	Cash and cash equivalents	New Zealand	AA-
Westpac New Zealand Limited RCD maturing 18/07/2022	0.89%	Cash and cash equivalents	New Zealand	AA-
Mercer Commodities	0.88%	Commodities	New Zealand	N/A

The total value of the above 10 individual assets is 13.25% of the net asset value of the fund.

Currency hedging

Hedging is a tool used to reduce the effects of changes in exchange rates on investment returns. Investments that are hedged are, in effect, made in local currency. The scheme's international investments are 100% hedged with the exception of international equities, which are 50% hedged. Further details and additional information are available in the statement of investment policy and objectives at www.policesuper.co.nz and on the scheme register at www.disclose-register.companiesoffice.govt.nz.

Key personnel

Name	Current position	Time in current position	Previous or other current position (if relevant)	Time in previous or other position
Charles Bertram Cahn	Director, Police Superannuation Scheme	27 years 9 months ⁵	Actuarial consultant	7 years 11 months
Guy Maxwell Fisher	Head of Investment Consulting, Russell Investments	0 years 9 months	Senior Consultant, Russell Investments	2 years 8 months
Sarah Louise Graydon	Director, Police Superannuation Scheme	3 years 0 months	Scheme trustee (various)	11 years 3 months
Ronan Patrick McCabe	Chief Investment Officer, Mercer (N.Z.) Limited	1 year 4 months	Head of Portfolio Management (Pacific), Mercer (Australia) Limited	2 years 3 months
Ian Howard Russon	Director, Police Superannuation Scheme	5 years 2 months	Head of Financial Institutions & Public Sector, BNZ	5 years 0 months

Further information

You can also obtain this information, the PDS for the Police Superannuation Scheme and some additional information from the offer register at www.disclose-register.companiesoffice.govt.nz.

Any questions?

Give us a call on our helpline.
Hours 9.00am – 7.00pm Monday to Friday.

0800 PSSHEME (0800 777 243)

policessuper.co.nz

Notes

- ¹ 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.
- ² Returns prior to 1 July 2019 are net of tax at 28%. The scheme became a PIE on 1 July 2019. Therefore, the returns from 1 July 2019 are calculated net of tax at the highest prescribed investor rate (PIR), which happens to also be 28%.
- ³ For the reporting of the types of assets under 'Actual investment mix' and 'Top 10 investments', cash retained for liquidity management at a sector level is assigned to the asset class to which it relates.
- ⁴ 'Other' consists of investments in international listed infrastructure.
- ⁵ This includes service as an individual trustee of the scheme before the shift to a corporate trustee.

