

ANNUAL REPORT

For The Year Ended 30 June 2024





Cover: Paul Bryan and Danny Muliaina, Casting and Logistics
Inside front cover: Jade Parry, Reduction

YEAR SNAPSHOT

Returns (after tax and investment-related costs) for 1, 3, 5 and 10-year periods ended 30 June 2024

	Cash	Conservative	Balanced	Growth
1 year	4.1%	4.3%	4.7%	5.1%
3 years (p.a.)	2.9%	0.7%	0.4%	0.5%
5 years (p.a.)	1.9%	2.4%	3.6%	5.2%
10 years (p.a.)	1.9%	3.9%	5.7%	7.6%

Past returns are not necessarily a good indication of future returns. Returns will vary when measured over different periods.

THE NUMBERS

903

Total members

\$171.7

Million in net assets

798

Employee members

\$16.0

Million in benefits paid

109

New members

\$0.8

Million in expenses paid by NZAS

105

Retirement account holders

\$4.4

Million in member and salary sacrifice contributions received

19

Net membership growth for year

\$4.7

Million in employer contributions received

557

Members logged in to the website during the Fund year

261

Total calls to the Helpline, with the average speed of answer being 13 seconds

Average account balance for members by age brackets

\$17,716

<30

\$35,728

30-39

\$91,631

40-49

\$258,378

50-59

\$407,058

60-69

\$317,658

>70

CONTENTS

3 Message from the Chair

5 Key factors impacting
crediting rates during
the Fund year

9 Your investment options

10-11 Member stories

12 Fees and expenses

STATUTORY INFORMATION

13 Details of scheme

13 Information on
contributions and
scheme participants

14 Changes relating
to the scheme

16 Other information for
particular types of
managed funds

18 Changes to persons
involved in the scheme

18 How to find further
information

18 Contact details
and complaints

19 Fund directory



MESSAGE FROM THE CHAIR

On behalf of the Directors of NZAS Retirement Fund Trustee Limited ('Trustee'), I am pleased to present the Fund's annual report for the year ended 30 June 2024.

The year in review

In recent years, global financial markets have been influenced by various factors such as the COVID-19 pandemic, geopolitical tensions and technological advancements, and by central banks' monetary policies aimed first at stimulating growth and more recently at controlling inflation.

The most dominant theme over the latest financial year was the expansion, adoption and application of artificial intelligence ('AI'). The potential for emerging AI technology to change the way we live and work led a narrow subset of technology companies (dubbed the 'Magnificent Seven') to dominate equity market returns over the year. A key beneficiary was Nvidia, a dominant supplier of AI hardware and software.

Increasing signs that the US would be cutting interest rates in 2024 helped bond markets turn their fortunes around in the final quarter of 2023. This followed a meteoric rise in interest rates over the preceding 18 months, a pattern that was mirrored here in New Zealand and was a key factor contributing to poor returns from all investment options last year. In contrast, the prospect of a reversal in interest rates, spurred by moderating inflation and the continued strength of the US economy, boosted returns from both fixed interest and equity markets.

All investment options delivered moderately positive returns for the latest financial year ended 30 June 2024. Looking ahead, a number of material economic and geopolitical risks remain. Not least of these is the number of countries going to the polls over the coming months, most notably the US. It is near impossible, however, to predict which of these, if any, will be the dominant key theme in the new financial year.

Key numbers

Over the past year, the Fund has experienced growth by welcoming 109 new members. Additionally, we assisted 155 members in accessing their savings, with five members using their savings to purchase their first home. The Fund paid out over \$16.0 million in benefits, including retirement benefits and other benefit payments to provide support for members in times of need. The Fund continues to grow, and it is great to see that it can support its members in achieving their ideal retirement.

Fund developments

In January this year, the Trust Deed was amended to allow members to withdraw funds from their Standard Account balances to buy their first home. Previously only 'locked-in' balances were available. Additionally, retirement account holders can now make regular monthly withdrawals.

There were a number of changes made to the make-up of the Fund's investments during the year. The largest two of these were as a result of decisions made by incumbent managers to exit certain businesses and portfolios. While the Fund's overall exposure to various asset types remained largely unchanged, there were a number of material changes in the investment manager line-up within some of those asset types. These manager changes impacted approximately 45% of the Fund's total investments by value.

In late 2023, Mercer decided to close its Mercer Global Aggregate Bond Fund, while in May 2024 ANZ announced that it would exit its wholesale investment management business, impacting the Fund's global equity investments. As a result, the Trustee undertook the selection and appointment of alternative managers in both cases.

The Trustee introduced two new Global Bond mandates into the Fund, with the Hunter Global Fixed Interest Fund and the Salt Sustainable Global Fixed Income Opportunities Fund replacing the investments held in the Mercer Global Aggregate Bond Fund. The decision was taken to also shift the investments held in another Mercer Global Bond Fund (the Mercer Global Absolute Return Bond Fund) to these two new managers at the same time.

In respect of global equities, we have completed, post the end of the Fund financial year, the transition of our investments from ANZ to the Mercer Overseas Shares Plus Fund.

More details on the new investment funds can be found on page 8 of this report.

Financial planning

Financial planning is essential for a comfortable retirement, as it allows you to set clear financial goals and create a roadmap to achieve them. Financial planning helps you make informed decisions about savings, investments and expenses, maximising your financial security and peace of mind in your retirement years. You can find a number of resources on the **Fund website**, as well as a helpful **checklist** to let you get organised before meeting a financial adviser.

Trustee Director changes

Torsten Becht resigned from the Board on 31 March 2024 and was replaced by Kyle Murray, who joined the Board on 1 July 2024 as an offsite Trustee Director. Kyle is an employer representative and is currently working for Rio Tinto in Brisbane as Manager, Performance and Productivity. Having previously worked at Tiwai, he will be familiar to many on-site.

On behalf of the Trustee Directors, I would like to welcome Kyle to the Board and thank Torsten for his service to the Fund. During Torsten's tenure, he made significant contributions to the Board.

Future of the Fund

The recent power deal securing the future of the smelter for another 20 years is truly reassuring for both our members and the Fund. Despite the uncertainties the smelter has faced in recent years, the Trustee Directors have remained committed to maintaining the Fund's regular operations. With the deal in place, we can continue our focus even more towards providing support to our members as they plan for their retirement.

Thank you

I would like to thank my fellow Trustee Directors and NZAS for their work and support in striving for the best outcomes for our members. Thank you also to all our service providers, especially Chapman Tripp and Mercer. Their assistance has been invaluable in enabling the Trustee Directors to effectively and efficiently manage the wide range of activities undertaken by the Fund on behalf of our members.

I would also like to extend my thanks to the members who participated in the survey earlier this year. Your input is valued, and it helps us to fulfil our duties more effectively.

Thank you to Tony Laurie and Regan Shaw for their contributions to the member story section, where they share their experiences with the Fund. You can read more about their journeys on pages 10-11.



Tim McGuinness
Chair
NZAS Retirement Fund
Trustee Limited



KEY FACTORS IMPACTING CREDITING RATES DURING THE FUND YEAR

The month-to-month cumulative crediting rates that applied during the year ended 30 June 2024 were influenced by the following key factors:

Cumulative crediting rates by month



Past performance is not a guide to future performance.

HOW HAS INVESTMENT MARKET PERFORMANCE AFFECTED THE FUND'S RETURNS?

Australasian equities

Australasian equities had a mixed Fund year ended 30 June 2024. New Zealand equities were slightly down, with the S&P/NZX 50 index returning -0.8%, reflecting the struggling New Zealand economy. In contrast, Australian equities, as represented by the S&P/ASX 200, achieved a positive return of 12.1% for the year.

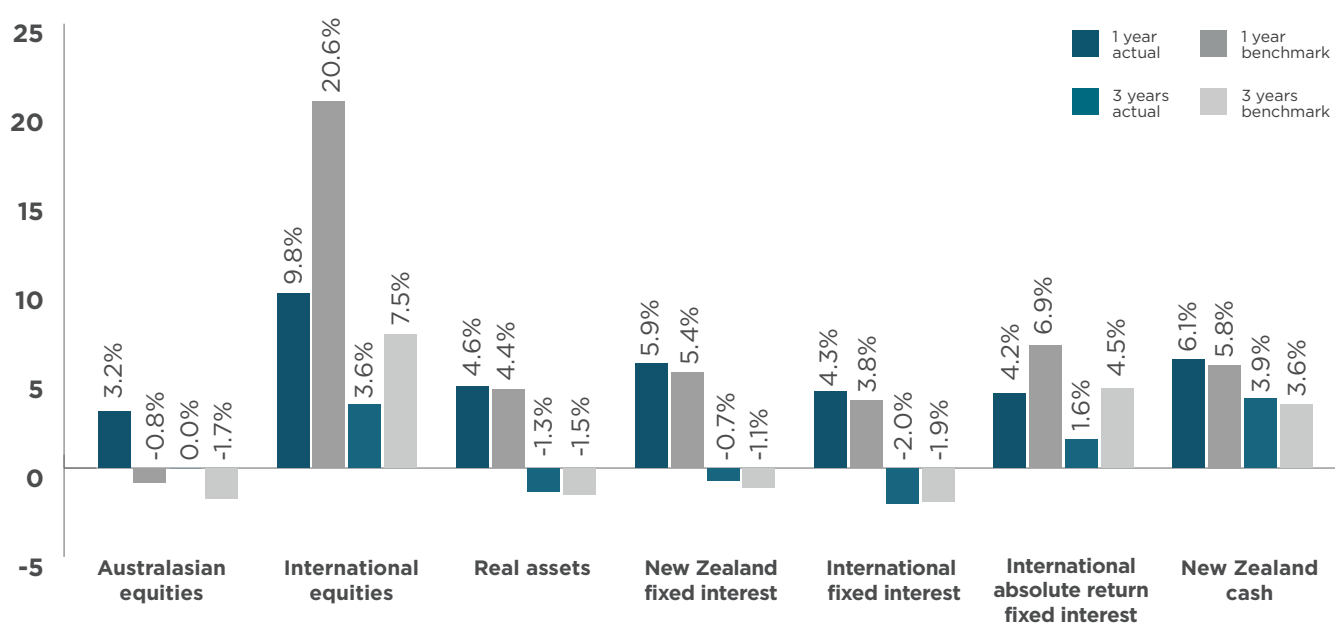
Real assets

Despite facing broad recovery challenges, listed property and listed infrastructure performed well over the year, with the respective indices returning 5.1% and 3.5%.

International fixed interest

International fixed interest had fluctuations during the year as a result of central banks' policy decisions dominating market sentiment, but ended with the Global Aggregate Bond Index finishing the year up 3.8%.

Gross returns by asset class - actual v. benchmark over 1 & 3 years to 30 June 2024



International equities

International equities posted strong returns for the year, with the MSCI World Index (50% NZD hedged) finishing up 20.6%, mainly driven by the 'Magnificent Seven' US technology-based companies and a resilient US economy.

New Zealand fixed interest

Similar to international fixed interest, New Zealand fixed interest also ended on a positive note, with the Bloomberg NZBond Composite 0+ Yr Index up 5.4%.

New Zealand cash

The high interest rate environment led to the cash sector delivering strong positive returns, with the S&P/NZX Bank Bills 90-Day Index returning 5.8% over the year.

The graph above (setting out gross investment returns before tax and expenses) shows that while the other asset classes outperformed their respective benchmark indices for the year ended 30 June 2024, international equities and international absolute return fixed interest both underperformed their benchmarks. The significant underperformance from international equities was largely due to the ANZ Wholesale International Share Fund having underweight holdings in the strong-performing information technology and communication services sectors, exacerbated by weak company selection by the underlying fund managers. In particular, an underweight holding in Nvidia Corporation was a notable detractor as its shares continued to soar to new highs. Underweight positions in Meta Platforms (owner of Facebook) and Microsoft Corporation were other notable detractors. The "absolute return" category of fixed interest investments was introduced into the Fund's portfolio in 2020 with the aim of generating positive returns in a challenging environment for bonds, with interest rates close to zero. The relevant underlying fund performed well when introduced, as bond yields were rising on the back of central bank tightening. However with bond yields starting to come down, this strategy started to struggle against its Cash benchmark.

Over the three-year period, while the other asset classes outperformed their respective benchmark indices, international equities, international fixed interest and international absolute return fixed interest all underperformed their benchmarks (though only slightly in the case of international fixed interest).

Past performance is not a guide to future performance.

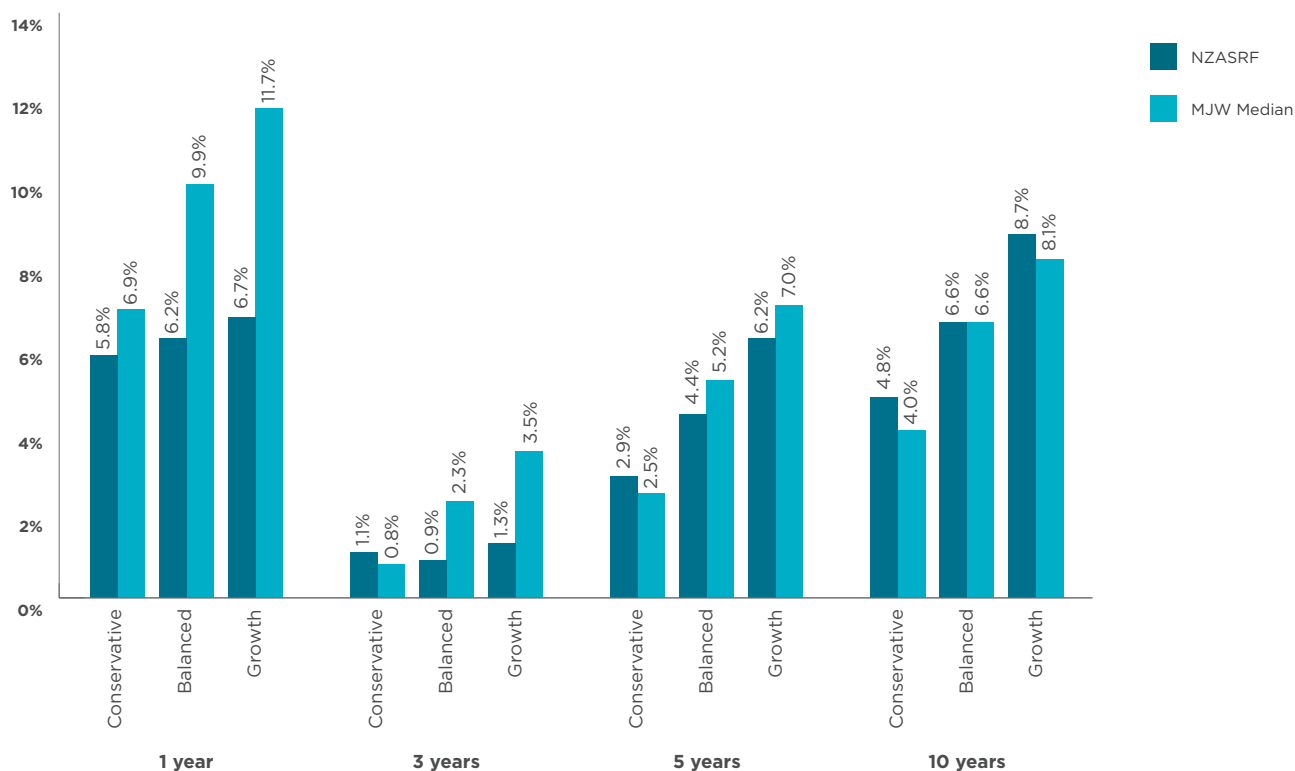
HOW DOES THE PERFORMANCE OF THE FUND'S INVESTMENT OPTIONS COMPARE WITH OTHER SCHEMES?

The graph below compares the return (before tax but after investment-related costs and expenses) for each investment option other than Cash against the KiwiSaver median¹ over the relevant periods ended 30 June 2024.

The graph shows that all the relevant investment options in the Fund outperformed or performed in line with the KiwiSaver median, or middle, return over the long term (10 years).

The Balanced and Growth funds both trailed comparable KiwiSaver funds over the 1, 3 and 5 year periods ended 30 June 2024 (and the Conservative fund trailed comparable KiwiSaver funds in the year ended 30 June 2024). This was principally due to the ANZ Wholesale International Share Fund underperforming the Fund's international equities benchmark index by 10.8% in the year ended 30 June 2024. Another factor was each relevant investment option having a strategic allocation to real assets as a diversifier (though ahead of benchmark, the Fund's return on its real assets investments over the 3 years ended 30 June 2024 was -1.3% p.a.).

Investment fund returns (before tax and after fees²) v KiwiSaver median for 1, 3, 5 and 10 years to June 2024

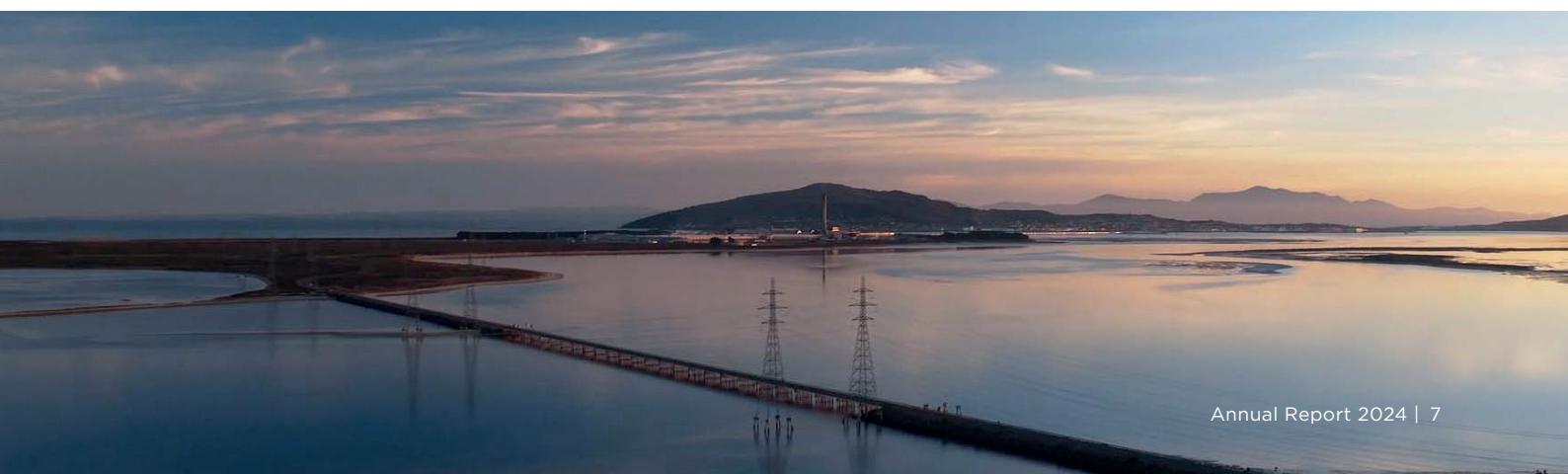


¹ The MJW Investment Survey has been used for the KiwiSaver median data. "KiwiSaver median" means the median KiwiSaver fund return (before tax but after fees) for each of the periods noted, in the relevant category (Growth, Balanced or Conservative) as shown in the MJW Investment Survey (prepared quarterly).

² The NZASRF returns shown in this graph are not crediting rates, as they are after deductions for investment-related costs and expenses but before tax. Crediting rates (shown elsewhere in this annual report) are determined by deducting both investment-related costs and expenses and tax.

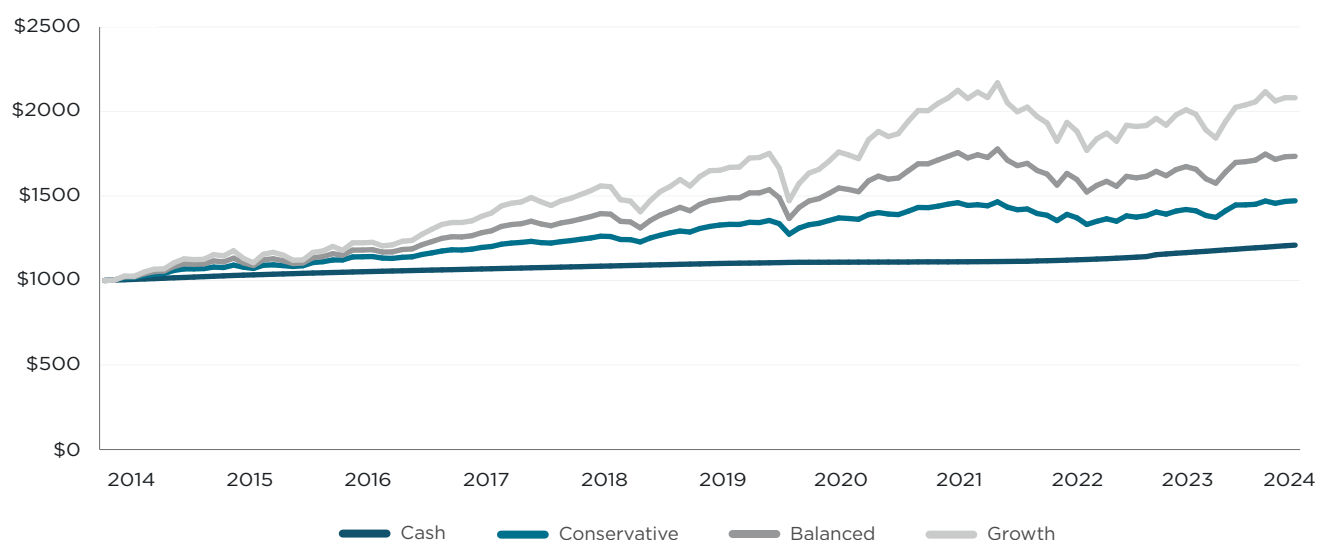
Notes: Not all KiwiSaver funds are included in the MJW Investment Survey, and the funds surveyed have varying asset allocations which differ from those of the NZAS Retirement Fund investment options (for example, the Balanced option has a strategic allocation to growth assets of 60%, whereas the 17 Balanced funds in the MJW Investment Survey have growth asset allocations ranging from 50% to 65%).

Past returns are not necessarily a good indication of future returns. Returns will vary when measured over different periods.



HOW HAS THE FUND PERFORMED OVER THE LAST 10 FUND YEARS?

Performance of \$1,000 (after tax and investment-related costs¹) over the 10 years ended 30 June 2024



¹ This graph shows for illustrative purposes (based on month-to-month crediting rates) what the accumulated value of \$1,000 invested in each respective investment option on 1 July 2014 would be as at 30 June 2024 if there were no further contributions and no deductions made for insurance charges. Insurance charges are deducted from company accounts and are additional to investment-related costs.

Past returns are not necessarily a good indication of future returns. Returns will vary when measured over different periods.

NEW INVESTMENT MANAGERS

In late 2023, Mercer made the decision to close its Mercer Global Aggregate Bond Fund (through which most of our international fixed interest investments were managed). Similarly, in May 2024, our international equities manager ANZ announced its exit from the wholesale investment management business. Consequently, the Trustee initiated the process of appointing new managers to handle approximately 45% of our investments. This transition involved:

- in June 2024, introducing two new international fixed interest mandates for the assets formerly managed through the Mercer Global Aggregate Bond Fund: the Hunter Global Fixed Interest Fund (through Harbour) and the Salt Sustainable Global Fixed Income Opportunities Fund; and
- in August 2024, transferring our international equities portfolio from ANZ to Mercer, to be managed in the Mercer Overseas Shares Plus Fund and the Mercer Hedged Overseas Shares Plus Fund.

In the international equities sector, Mercer (like ANZ) operates as a 'manager of managers' appointing and overseeing multiple global equity investment managers (currently Arrowstreet, Wellington, Baillie Gifford, Maj Invest and Alliance Bernstein) within each fund.

As for Salt and Harbour, although they are New Zealand-based managers, they employ global investment managers to handle day-to-day investment management. Salt works with Morgan Stanley, while Harbour partners with PIMCO. It's worth noting that both Morgan Stanley and PIMCO are significant global managers.

In August 2024, we re-allocated the Fund's investments in the Mercer Global Absolute Return Bond Fund to the Salt and Hunter funds.

Additionally, effective 31 July 2024 we adjusted our target exposures to international listed property and international listed infrastructure following a strategic asset allocation review.

YOUR INVESTMENT OPTIONS

The Fund recognises that different members have different financial needs and that a single investment strategy doesn't suit everyone. That's why the Fund offers members a choice of up to four investment options – Growth, Balanced, Conservative and Cash. Each investment option has a different benchmark (or target) mix of investment sectors (or 'asset allocation'), producing different return objectives and actual returns.

For the latest risk indicator for each of the Fund's investment options, refer to pages 2 and 3 of the Fund's Product Disclosure Statement ('PDS'), available under *Documents* at www.nzretirementfund.com. Choosing the right investment option (or combination of options) is important. If you need help, go to the *Investor profiler* tool at www.sorted.org.nz/investor-profiler and/or contact a financial advice provider. Guidance on how to search for a financial advice provider (and what to think about when choosing an adviser) is available on the Financial Markets Authority website at www.fma.govt.nz/consumer/getting-advice/finding-an-adviser.

Further information about the investment options and their performance is set out in the annual fund update for each investment option. The latest fund updates are available under *Documents* at www.nzretirementfund.com or on www.disclose-register.companiesoffice.govt.nz.

INVESTMENT MANAGEMENT

One of our most important tasks is to oversee the investment of the Fund's assets. To reduce risk, as well as offering a choice of investment options, we appoint a range of fund managers, each with expertise in managing different asset classes.

To assist with this we employ an investment consultant, Mercer (N.Z.) Limited ('Mercer'), to advise on matters such as our investment objectives and strategy. We also employ an independent investment adviser, on an as-required basis, to provide a second opinion and evaluate the performance of the investment consultant.

Day-to-day decisions about investments within each asset class are made by the fund managers, in their capacities as the investment managers of the underlying funds into which the Fund's assets are directly invested.

The fund managers who were looking after your money as at 30 June 2024 are shown below:

Asset class	Fund manager	Fund investment assets as at 30 June 2024 (\$ million)*	%
Australasian equities	Harbour Asset Management Limited	9.9	5.7
	Nikko Asset Management New Zealand Limited	9.4	5.4
International equities	ANZ New Zealand Investments Limited	62.9	36.4
International listed infrastructure**	Mercer (N.Z.) Limited	11.3	6.6
International listed property**	Mercer (N.Z.) Limited	11.7	6.8
New Zealand fixed interest	Mercer (N.Z.) Limited	11.3	6.6
International fixed interest	Salt Funds Management	4.9	2.8
	Harbour Asset Management Limited - Hunter Investment Funds	7.4	4.3
	Mercer (N.Z.) Limited	5	2.9
New Zealand cash	Mercer (N.Z.) Limited	38.9	22.5
TOTAL		172.7	100.0

*This excludes non-investment assets (e.g. cash at the bank, receivables and prepayments) of \$1.5 million and liabilities of \$2.5 million.

**International listed infrastructure and international listed property are referred to elsewhere in this annual report as real assets, and international listed infrastructure is referred to in the Fund's disclosure documents as the *other* assets class.

MEMBER STORIES

JOURNEY TO FINANCIAL SECURITY

Regan Shaw works as a Production Operator, based in Invercargill. She started her career at NZAS as a contractor in the rodding department before moving into a permanent role, which is when she joined the Fund.

My role is quite exciting and keeps me on my toes. One day I could be casting anodes, and the next I could be operating the pallet station getting anodes ready to head down to the potlines. A typical day for me at NZAS begins with a pre-start meeting with my team. We discuss our daily targets and address any issues from the previous shift. We also prioritise our safety to ensure that we can go back to our families with a healthy mind and body at the end of the day. After completing pre-start checks on vehicles and machinery, I join my colleagues on the floor to begin our work for the day. The challenging environment and constant learning keep me engaged and motivated. I am fortunate to work with a close-knit team that always strives for the best results.



What I like about the Fund is the easy way of checking my online statements and watching my money grow. Its benefits surpass those of other long-term funds that I have explored. For young individuals like me, it presents an incredible opportunity to secure both short-term and long-term benefits.

Four months ago, I joined the property market with my first home. I've always wanted to buy a house but when I first started saving seriously, interest rates were climbing. Not having the job security without Tiwai having a power contract beyond 2024 made it hard to know where I stood on the property ladder. However, I was lucky enough to be in a position where I was able to take the risk and buy a house. Now that Tiwai has secured a 20-year power supply contact, I couldn't be happier with my decision. Getting the keys to my house was exciting, scary and overwhelming, but I now look forward to this new challenge and everything that comes with being a homeowner.

Financial security after retirement is really important to me. I believe that planning for the future is essential, as it's not possible to turn back time and work harder once we reach that stage of life. I often discuss my retirement plans with my grandparents, seeking their advice and guidance. I don't want to solely rely on the government pension, which is why I appreciate the opportunity to be a part of the Fund. It aligns perfectly with my long-term savings plan and provides me with peace of mind.

Outside of work, traveling is a passion of mine, whether it's getting on a long-haul flight or jumping in the car for a road trip. I also prioritise staying active, whether it's hitting the gym or going for walks in scenic locations like Sandy Point. These activities allow me to unwind and make the most of my spare time.

Looking ahead, I want to continue fulfilling my desire to travel. I want to spend my retirement years traveling to new countries and exploring the beauty of New Zealand. With the support of the Fund, I am confident that my hard work will pay off, leading to a comfortable and fulfilling retirement.



Tolu Lagaia, Carbon

SAVING FOR A COMFORTABLE RETIREMENT

Tony Laurie has been a member of the Fund since the beginning of his career at Tiwai, and he is now in his 24th year. Currently, he is on Crew 3 in the carbon rodding department, and he has remained in the same department and crew throughout his entire tenure.

Joining the Fund was a hassle-free process, without any major issues. The hardest part was deciding which investment option to choose. Given my inclination for taking calculated risks and the fact that retirement was still some time away, I decided to embrace a bit of extra risk to maximise my earning potential.

Initially when I joined the Fund, I rarely found the need to check my account balance. I was happy to rely solely on the annual statement to provide me with information on my account balances. However, as I now approach the golden years of retirement and consider the level of risk I'm willing to take with my nest egg, that may well change. With retirement on the horizon, I may reconsider my investment strategy, despite my inclination towards a higher-risk approach.

In my opinion, one of the most important questions you need to ask yourself is what lifestyle you are accustomed to and whether you can sustain it once you retire. This greatly influences the decisions we make, and it is crucial to get clear on your objectives and start contributing to the most appropriate investment option as soon as possible. Personally, I have developed an expensive taste for overseas travel, and I wouldn't settle for anything less than continuing this passion with my wife, both now and in the future. In fact, I expect that this desire will only increase when there are no work-related constraints on our holiday plans. My two children have also had the privilege of traveling extensively with us, and they never hesitate to add their names to my flight itineraries.

Beyond travel, my leisure activities include fishing and diving. I prefer saltwater environments, as I'm not a fan of eating trout and haven't had the chance to explore diving in lakes. Fortunately, our location provides access to some of the world's best diving and fishing spots, though nothing compares to the beauty of Fiordland and the Foveaux Strait. I make it a point to try and experience these activities wherever I go.

I recommend the Fund to everyone without any hesitation. It's a decision that supports not just financial growth, but the enrichment of life's experiences alongside loved ones. It is important for long-term savings, and joining provides added security and peace of mind.



FEES AND EXPENSES

Fees and charges are payable for investing in the Fund.

There are three main elements to the Fund's expenses:

- Annual fund charges (which include all investment-related costs and expenses)
- Insurance charges
- Administration costs

Members pay only the first two types of charges (annual fund charges and insurance charges), so only those charges affect your benefit from the Fund. The insurance charges relate principally to the death, total disablement and ill-health insurance cover provided to members, but the Trustee also has a catastrophe insurance policy (designed to cover the Fund if a single event results in five or more insured benefit claims from members), for which the premiums are deducted from the Fund's insurance account.

NZAS pays all other administration costs, including administration management, secretarial, actuarial, legal, professional Trustee Director, audit and taxation advisory services fees, statutory liability insurance premiums, and regulatory fees and levies. In the year ended 30 June 2024, NZAS paid \$837,887 in expenses incurred on behalf of members in support of the Fund (compared to \$797,410 in the year ended 30 June 2023).

ANNUAL FUND CHARGES

Annual fund charges (comprising investment management, investment consulting and investment advisory costs) are deducted from the Fund's income before crediting rates are determined. These charges vary depending on the investment option(s) you have chosen. The annual fund charges, per \$100 invested, incurred in the year ended 30 June 2024 were as follows:

FUND CHARGES PER \$100 INVESTED (YEAR ENDED 30 JUNE 2024)



Cash
investment option



Conservative
investment option



Balanced
investment option



Growth
investment option

Annual fund charges are explained in more detail in the Fund's PDS.

INSURANCE CHARGES

If you have death, total disablement and ill-health insurance cover, insurance charges will be deducted from your company account in the Fund (no insurance charges are payable by members who are retirement account holders or are aged 65 plus, as those members do not have ongoing insurance cover from the Fund). If you had insurance cover during the year ended 30 June 2024, refer to your annual confirmation (previously known as your annual membership statement) to see the amount of insurance charges deducted from your company account during the year.

Your insurance cover varies depending on your chosen cover level (basic, medium or top), your salary and the number of months until you reach age 65, and the cost of cover (i.e. the insurance charge per dollar of cover) increases with age. We can increase or decrease the insurance charges after taking actuarial advice and considering claims levels. For the insurance charges that currently apply, see the *Other Material Information* ('OMI') document for the Fund at www.disclose-register.companiesoffice.govt.nz (select *Search for an offer*, enter and click on NZAS, then go to the *Documents* tab).

STATUTORY INFORMATION

DETAILS OF SCHEME

This is the annual report for the NZAS Retirement Fund for the year ended 30 June 2024. The Fund is registered under the Financial Markets Conduct Act ('FMCA') as an employer-related restricted workplace savings scheme.

The manager of the Fund is the sole purpose trustee company NZAS Retirement Fund Trustee Limited ('Trustee'). As a restricted scheme, the Fund does not have its own independent supervisor.

The current PDS for the Fund is dated 31 July 2024 and is open for applications.

The latest fund update for each investment option in the Fund, produced as at 30 June 2024, has been made publicly available on www.nzasretirementfund.com and is also available electronically by visiting www.disclose-register.companiesoffice.govt.nz (select *Search for an offer*, enter and click on *NZAS*, then go to the *Investment Options* tab).

The Fund's financial statements as at 30 June 2024, authorised for issue on 9 September 2024, and the auditor's report on those financial statements, were lodged with the Registrar of Financial Service Providers on 10 September 2024. Copies of the financial statements (including the auditor's report) are available electronically by visiting www.disclose-register.companiesoffice.govt.nz (select *Search for a scheme*, enter and click on *NZAS*, then go to the *Documents* tab).

INFORMATION ON CONTRIBUTIONS AND SCHEME PARTICIPANTS

Changes to membership during the year ended 30 June 2024 are set out below:

	Contributing members	Non-contributing members*	Total
Members at 1 July 2023	775	109	884
Plus: New members	109	-	109
Total new members	109	-	109
Less: Exits on leaving service	(78)	-	(78)
Total disablement and death	-	(1)	(1)
Ill-health	(1)	-	(1)
Full withdrawals by retirement account members	-	(10)	(10)
Total member exits	(79)	(11)	(90)
Less: Members becoming retirement account holders	(7)	-	(7)
Plus: Members becoming retirement account holders	-	7	7
Less: Members becoming non-contributory	(2)	-	(2)
Plus: Members becoming non-contributory	-	2	2
Members at 30 June 2024	796	107	903

* As at 1 July 2023, 108 non-contributing members were retirement account holders and one was an employee member. As at 30 June 2024, 105 non-contributing members were retirement account holders and two were employee members.

The total amount of members' accumulations as at 1 July 2023 was \$168,011,800 relating to 884 members. As at 30 June 2024, the total amount of members' accumulations was \$168,430,399 relating to 903 members.

Contributions

Type	Number of members	Total amount (\$)
Member contributions	824	\$3,748,298
Salary sacrifice contributions	74	\$547,008
Employer contributions	882	\$4,665,762
Government contributions	190	\$92,345
Total contributions		\$9,053,413



CHANGES RELATING TO THE SCHEME

Trust Deed

The Fund's Trust Deed was amended (by entry into a replacement Trust Deed) on 23 January 2024. The Trust Deed amendments altered the way members could access their funds, by allowing:

- members to make withdrawals from their Standard Account balances for purchasing a first home; and
- retirement account holders who invest in two or more investment options to choose the investment option from which any regular or other partial withdrawal is debited.

Product Disclosure Statement ('PDS')

The Trustee amended the Fund's PDS twice during the year ended 30 June 2024.

The PDS was amended on 2 February 2024 to reflect the Trust Deed amendments described above, add a new facility for retirement account holders to make monthly withdrawals and make other minor updates (including to risk indicators and fee estimates).

The PDS was amended on 31 May 2024 to:

- reflect the appointments of Harbour Asset Management Limited ('**Harbour**') and Salt Investment Funds Limited ('**Salt**') as additional international fixed interest managers; and
- make other minor updates (including to reflect Torsten Becht's resignation as a Trustee Director).

Subsequent to the year end, the PDS was amended on 31 July 2024 to reflect:

- the recent power deal (securing the future of the smelter for another 20 years) by removing references to the potential near-term wind-up of the Fund if NZAS was unable to secure a long-term presence for the smelter;
- the reduced target allocations to international listed property and the increased target allocations to international listed infrastructure in the Conservative, Balanced and Growth investment options;
- the appointment of Mercer (N.Z.) Limited ('**Mercer**') to manage the Fund's international equities investments in place of ANZ New Zealand Investments Limited ('**ANZ**'); and
- Mercer ceasing to be one of the Trustee's international fixed interest managers (with the assets held in the Mercer Global Absolute Return Bond Fund transitioning to the relevant Harbour and Salt funds); and
- Kyle Murray's appointment as a Trustee Director from 1 July 2024.

Statement of Investment Policy and Objectives ('SIPO')

The Trustee adopted a replacement SIPO for the Fund effective 8 February 2024, to reflect the then-pending wind-up of the Mercer Global Aggregate Bond Fund and the temporary transition of the investments held by the Trustee in that underlying fund into the Mercer Overseas Sovereign Bond Fund and the Mercer Global Credit Fund until the Trustee selected and appointed additional international fixed interest managers.

The SIPO was updated again effective 31 May 2024. The main changes were:

- clarifying the Trustees' performance objectives for each investment option;
- updates to reflect the appointments of Harbour (the Hunter Global Fixed Interest Fund) and Salt (the Salt Sustainable Global Fixed Income Opportunities Fund) as additional international fixed interest managers; and
- the adoption of a more detailed liquidity management policy for the Fund.

Subsequent to the year end, the SIPO was amended effective 31 July 2024 to reflect the target asset allocation and underlying investment manager changes described on page 14 in relation to the PDS of the same date.

Other Material Information ('OMI')

The Fund's OMI was amended on 2 February 2024, principally to reflect changes to the Fund's investments as outlined in the PDS and SIPO sections.

The OMI was further amended on 31 May 2024 to:

- remove a reference to the 'First Home Grant' facility, which was discontinued as part of Budget 2024;
- add some further detail on how the Trustee manages liquidity risk;
- reflect the underlying investment manager changes described on page 14 in relation to the PDS of the same date;
- reflect pending changes to employer's superannuation contribution tax rate thresholds; and
- make other minor updates.

Subsequent to the year end, the Fund's OMI was updated on 31 July 2024, to reflect changes to the Fund's international equities and international fixed interest benchmark indices.

Related party transactions

There were two material changes to the nature and scale of related party transactions during the year ended 30 June 2024. On 11 September 2023 (as advised in more detail in last year's Annual Report), the Trustee and Mercer entered into a replacement Investment Management Agreement relating to the Fund's investments in the Mercer Macquarie NZ Fixed Interest Fund and the Mercer Macquarie NZ Cash Fund. On 2 February 2024, the Trustee and Mercer updated their Letter of Engagement to include details about the management fees applying to the Fund's investments in various Mercer Investment Trusts New Zealand ('MITNZ') investment funds due to the recent investment transitions.

Subsequent to the year end, the Trustee entered into an updated Letter of Agreement with Mercer to confirm the changes relating to the Mercer Overseas Shares Plus Fund and the Mercer Hedged Overseas Shares Plus Fund.

All related party transactions entered into during the year were on arm's length terms.

An explanation of related parties is available under *Documents* at www.nzassetretirementfund.com (go to *Fact sheets*).

OTHER INFORMATION FOR PARTICULAR TYPES OF MANAGED FUNDS

Permitted withdrawals

During the year ended 30 June 2024, 155 Fund members made withdrawals that were permitted under the FMCA and the Trust Deed.

There were 90 members who made a full withdrawal from the Fund, consisting of 78 members who left service and received their full account balances, one member who received a death benefit, ten retirement account holders who withdrew their full account balances and one member who received an ill-health benefit.

There were 65 members who made partial withdrawals. There were 132 such withdrawals in total, comprising 121 withdrawals from retirement accounts, five first home purchase withdrawals, two relationship property withdrawals, three partial withdrawals by employee members aged 65 or more and one partial withdrawal for serious illness.

Actuarial review of insurance account

Because the death, total disablement and ill-health benefits payable from the Fund are principally self-insured (with premiums deducted from members' company accounts and credited to the Fund's insurance account, from which claims are paid), the Fund is a 'life benefit scheme' for FMCA purposes.

This means the Trustee must ensure that at not less than three-yearly intervals, a suitably qualified actuary formally examines the adequacy of the premium rates charged to members and of the insurance account balance.

The latest such formal actuarial examination was carried out as at 30 June 2022 by Simon Barker (FNZSA) and Peter Cosseboom (FNZSA) of Mercer.

The key findings were that:

- the insurance charges credited to the insurance account over the 17-year period since 1 July 2005 had more than adequately covered insured benefit payments and catastrophe insurance premiums (which are also paid from the insurance account), as total claims made and total insured benefit payments had been significantly lower than expected;
- the insurance charges should be updated to better reflect the Fund's potential claims risks and its claims experience across the three different types of cover offered (death, total disablement and ill-health);
- there was scope to consider a special allocation to member accounts from the insurance account (in which the balance of \$2.3 million was materially greater than the \$858,000 considered appropriate to cover claims, insurance charges shortfalls, catastrophe insurance costs and investment fluctuations), though the Trustee might wish to retain the full insurance account balance to protect against adverse experience; and
- if actual experience over the three years to the next valuation was similar to the preceding three years, the insurance account balance was likely to increase (principally due to investment earnings).

After considering the actuarial examination (and additional advice from the actuaries regarding appropriate insurance charges), the Trustee decided to adopt new insurance charges effective from 31 March 2023. This has resulted in reduced premiums at older ages and increased premiums at younger ages. The actuaries believe that the revised insurance charges better reflect the Fund's potential claims risks and claims experience.

The Trustee also decided to retain the full insurance account balance to guard against adverse future claims experience, economic or financial market shocks and the potential lack of availability of catastrophe insurance.

The next formal actuarial review of the insurance account is due as at 30 June 2025 and the results will be published in the 2026 annual report.

Crediting rates

Period	Cash		Conservative		Balanced		Growth	
2023	monthly	cumulative	monthly	cumulative	monthly	cumulative	monthly	cumulative
July	0.31%	0.31%	0.65%	0.65%	1.08%	1.08%	1.53%	1.53%
August	0.36%	0.67%	-0.55%	0.10%	-0.96%	0.11%	-1.36%	0.15%
September	0.30%	0.97%	-1.96%	-1.87%	-3.37%	-3.26%	-4.63%	-4.49%
October	0.39%	1.37%	-0.83%	-2.68%	-1.66%	-4.87%	-2.53%	-6.90%
November	0.34%	1.71%	2.89%	0.13%	4.24%	-0.84%	5.36%	-1.91%
December	0.32%	2.04%	2.40%	2.54%	3.42%	2.56%	4.25%	2.25%
2024								
January	0.38%	2.42%	0.05%	2.59%	0.27%	2.83%	0.70%	2.97%
February	0.33%	2.76%	0.23%	2.82%	0.52%	3.37%	0.91%	3.91%
March	0.30%	3.07%	1.34%	4.20%	2.10%	5.54%	2.89%	6.91%
April	0.37%	3.45%	-0.92%	3.24%	-1.79%	3.65%	-2.58%	4.15%
May	0.36%	3.82%	0.76%	4.03%	0.91%	4.59%	0.95%	5.14%
June	0.29%	4.13%	0.26%	4.30%	0.15%	4.75%	-0.03%	5.11%

Manager's statement

The Trustee, as manager of the Fund, states that:

- all contributions required to be made to the Fund in accordance with the terms of the Trust Deed have been made;
- the rates and amounts of premiums credited to the insurance account were in accordance with the recommendations made in the actuaries' most recent three-yearly examination of the Fund's insurance arrangements;
- all the benefits required to be paid from the Fund in accordance with the terms of the Trust Deed have been paid;
- the market value of the assets of the Fund as at 30 June 2024 exceeded the total value of the benefits that would have been payable had all members of the Fund 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 2024;
- the market value of the portion of the Fund's assets that was subject to the complying fund rules (i.e. held in locked-in accounts) as at 30 June 2024 was \$16,417,141 relating to 380 members; and
- the value of withdrawals made from locked-in accounts during the year ended 30 June 2024 was \$696,531.

Signed for and on behalf of the Trustee:



Director
Tim McGuinness



Director
Allan Meikle

CHANGES TO PERSONS INVOLVED IN THE SCHEME

Trustee Directors

During the Fund year, Torsten Becht resigned as a company-appointed Trustee Director on 31 March 2024. Subsequent to year end, Kyle Murray became a company-appointed Trustee Director on 1 July 2024.

Grant Cuff and Allan Meikle are no longer employed by NZAS but remain member-elected Trustee Directors.

For further information about the Trustee Directors, including their contact details, go to **www.nzasretirementfund.com** and click on *Trustee Director contact details*.

Administration Manager, fund managers and auditor

There were changes to fund managers during the Fund year and subsequent to the year end. In late 2023, Mercer made the decision to close its Mercer Global Aggregate Bond Fund. Similarly, in May 2024, ANZ announced its exit from the wholesale investment management business. Consequently, the Trustee initiated the process of appointing new managers to handle approximately 45% of our investments. This transition involved introducing two new Global Bond mandates: the Hunter Global Fixed Interest Fund (through Harbour) and the Salt Sustainable Global Fixed Income Opportunities Fund. Currently, the Trustee is in the process of transferring our global equities from ANZ to Mercer and reallocating the Fund's investments in the Mercer Global Absolute Return Bond Fund to Salt and Hunter (via Harbour).

No changes were made during the year ended 30 June 2024 to the Administration Manager (which also acts as the Securities Registrar for the Fund) or to the Fund's auditor.

Custodian

The Trustee, NZAS Retirement Fund Trustee Limited, is also the Fund's custodian.

HOW TO FIND FURTHER INFORMATION

Information relating to the Fund is available on the Scheme Register at **www.disclose-register.companiesoffice.govt.nz** (select *Search for a scheme*, enter and click on *NZAS*, then go to the *Documents* tab). The Scheme Register contains copies of the Fund's Trust Deed, SIPO and full audited financial statements.

A copy of the Fund's latest PDS dated 31 July 2024 is available on the Offer Register at **www.disclose-register.companiesoffice.govt.nz** (select *Search for an offer*, enter and click on *NZAS*, then go to the *Documents* tab). For the latest fund update for each investment option, select the *Investment Options* tab and (for each investment option) scroll down to *Fund documents*.

Further information and copies of Fund documents are also available on request from the Trustee by contacting the Administration Manager at the Helpline on 0508 266 787 (Australia 03 8306 0964, international +61 3 8306 0964).

There is no charge for any of the above information.

CONTACT DETAILS AND COMPLAINTS

Contact details for the Trustee and the Administration Manager (which also acts as the Securities Registrar for the Fund), and for any queries or complaints, are:

Philippa Kalasih

Fund Secretary, NZAS Retirement Fund
c/- Mercer (N.Z.) Limited
20 Customhouse Quay, PO Box 2897, Wellington 6140

Fund Member Helpline 0508 266 787
(Australia 03 8306 0964; international +61 3 8306 0964).

If you have a complaint about the Fund or the Trustee, you should first contact the Fund Secretary, whose contact details are set out above. You may complain by telephone, by email or in writing. If your complaint is complex, we may ask you to provide details in writing.

If you complain to the Trustee and reach the end of our internal complaints process (see our *Member Guide to the Complaints Process* under *Documents* at **www.nzasretirementfund.com** - go to *Member documents*) without your complaint being resolved to your satisfaction, you may refer the matter to the independent disputes resolution scheme operated by Financial Services Complaints Limited ('FSCL').

FSCL is the financial ombudsman service which acts as our independent dispute resolution scheme provider.

You can complain to FSCL by:

- calling 0800 347 257 (or +64 4 472 3725 if you are calling from overseas);
- emailing **complaints@fscl.org.nz**;
- completing **FSCL's online complaints form**; or
- downloading FSCL's **printable complaints form** and mailing it to FSCL (see address below).

Alternatively, you may write to FSCL at:

Financial Services Complaints Limited
PO Box 5967
Wellington 6140

For more details, see FSCL's website at **www.fscl.org.nz**.

Neither the Trustee nor FSCL will charge you a fee to investigate or resolve a complaint.

PRIVACY ACT 2020

Personal information about you may be collected, held and used by the Trustee and Mercer (as Administration Manager) for the purposes of administering your Fund membership and administering the benefits payable under the Fund. Your personal information may also be shared with (and held and used by) your employer, the Fund's professional advisers and other service providers, Inland Revenue, the Financial Markets Authority or any other person or entity as necessary for those purposes.

You have the right to access your personal information and to request a correction if you think any detail is wrong. If you wish to request access to, or correction of, your personal information, in the first instance please contact:

Philippa Kalasih

Privacy Officer, NZAS Retirement Fund
c/- Mercer (N.Z.) Limited
PO Box 2897, Wellington 6140

Email: philippa.kalasih@mercero.com

Phone: +64 4 819 2600

FUND DIRECTORY

The current Directors of the Trustee, NZAS Retirement Fund Trustee Limited, are:

Company-appointed



Bruce Kerr
(Licensed Independent
Trustee Director)



Kyle Murray



Paula Checketts



Tim McGuinness
(Chair)

Member-elected



Allan Meikle



Andrew Elder



Grant Cuff



Karen Vermunt

The Trustee is supported by a number of retirement scheme professionals who assist with various specialist tasks:

Service	Adviser
Administration, accounting, actuarial, member education, secretarial, communications and consulting	Mercer (N.Z.) Limited
Audit services	KPMG New Zealand Limited
Investment consultant	Mercer (N.Z.) Limited
Legal advisers	Chapman Tripp
Securities Registrar*	Mercer (N.Z.) Limited
Taxation services	Deloitte New Zealand Limited

*The Securities Registrar holds the Fund's member register.

www.nzasretirementfund.com

Helpline 0508 266 787

