

# Ports Retirement Plan

## Balanced fund

### Fund update for the year ended 31 March 2024

This fund update was first made publicly available on 27 June 2024.

#### WHAT IS THE PURPOSE OF THIS UPDATE?

This document tells you how the Balanced fund (**fund**) has performed and what fees were charged. The document will help you to compare the fund with other funds. Ports Retirement Trustee Limited (**Trustee**) 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

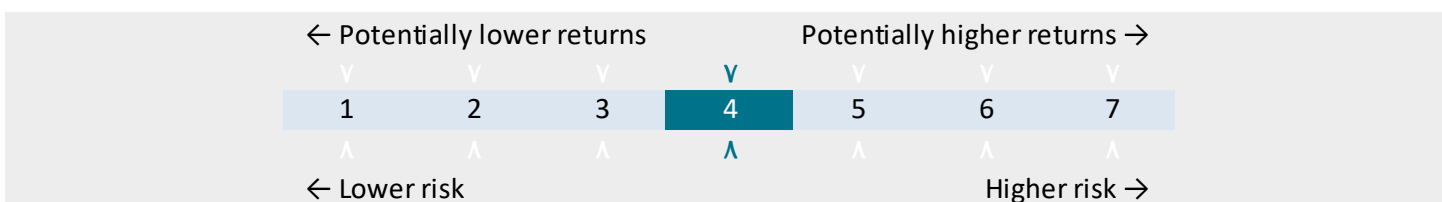
This is the default fund for all members of the Ports Retirement Plan (**Plan**). The fund has a diversified investment strategy with a current target investment mix of 55% growth assets and 45% income assets.

The Trustee aims for the fund to achieve average investment returns (after deductions for investment expenses and tax) of 1.5% per annum above Consumers Price Index increases over rolling 5 to 10 year periods, assuming the highest prescribed investor rate applying under the portfolio investment entity tax legislation.

Total value of the fund	\$78,655,327
Number of investors in the fund	526
The date the fund started	1 April 1985

#### WHAT ARE THE RISKS OF INVESTING?

Risk indicator for the 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 <https://sorted.org.nz/tools/investor-profiler>.

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 5-year period to 31 March 2024. 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**) for more information about the risks associated with investing in this fund. Refer to <https://portsretirement.org.nz/>.

## HOW HAS THE FUND PERFORMED?

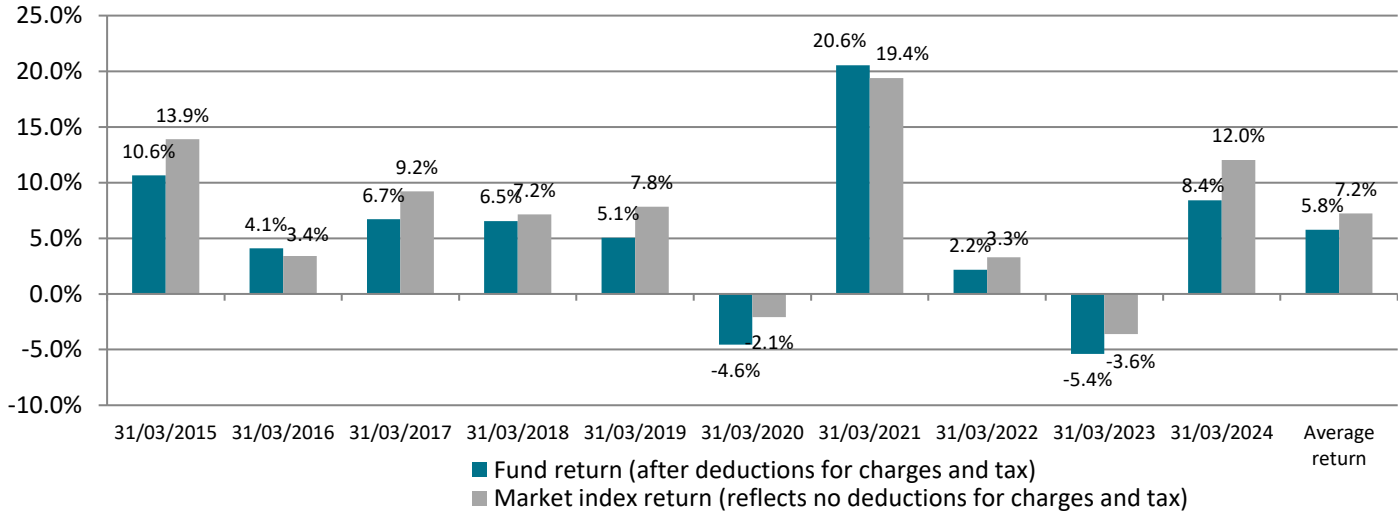
	Average over past five years	Past year
<b>Annual return</b> (after deductions for charges and tax)	3.81%	8.41%
<b>Annual return</b> (after deductions for charges but before tax)	4.25%	9.41%
Market index annual return (reflects no deduction for charges and tax)	5.46%	12.03%

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 or asset class into which the fund invests. Accordingly, the market index annual return for the fund is a composite return, calculated using the weighted average return of the benchmark indices used to measure the performance of the underlying funds or assets into which the fund invests.

The weighting for each benchmark within the composite index is equal to the Trustee's target weighting to the relevant underlying fund or asset class. The market index return provides a relative measure of the fund's performance.

Information about the benchmark indices currently comprising the composite market index (and links to additional information about them) is available in the document entitled *Ports Retirement Plan – Other Material Information* on the offer register at <https://disclose-register.companiesoffice.govt.nz/> (select *search for an offer* and enter *Ports*).

### Annual returns



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 2024<sup>i</sup>.

**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 Balanced fund are charged fund charges. In the year to 31 March 2024 these were:

	% of net asset value
<b>Total fund charges</b>	<b>0.71%</b>
Which are made up of:	
<b>Total management and administration charges</b>	<b>0.71%</b>
Including:	
Manager's basic fee	0.71%
Other management and administration charges	0.00%
<b>Total performance-based fees</b>	<b>0.00%</b>

### Other charges

Year-end and monthly membership fees

### Dollar amount per investor

\$160

Investors may also be charged individual action fees for specific actions or decisions (for example, for contributing or for switching funds). See section 5 of the PDS on the offer register at <https://disclose-register.companiesoffice.govt.nz/> (select *search for an offer* and enter *Ports*) for more information about those fees.

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

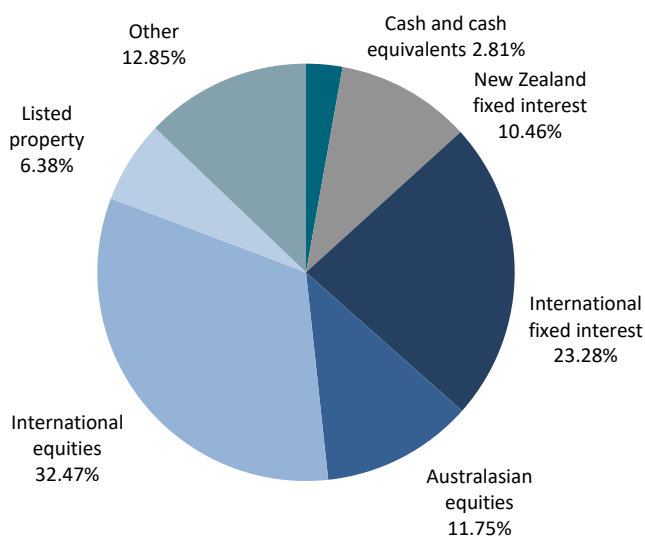
Michael had \$10,000 in the fund at the start of the year and did not make any further contributions. At the end of the year, Michael received a return after fund charges were deducted\* of \$941 (that is 9.41% of his initial \$10,000). Michael also paid \$160 in other charges. This gives Michael a total return after tax of \$726 for the year.

\*but before tax

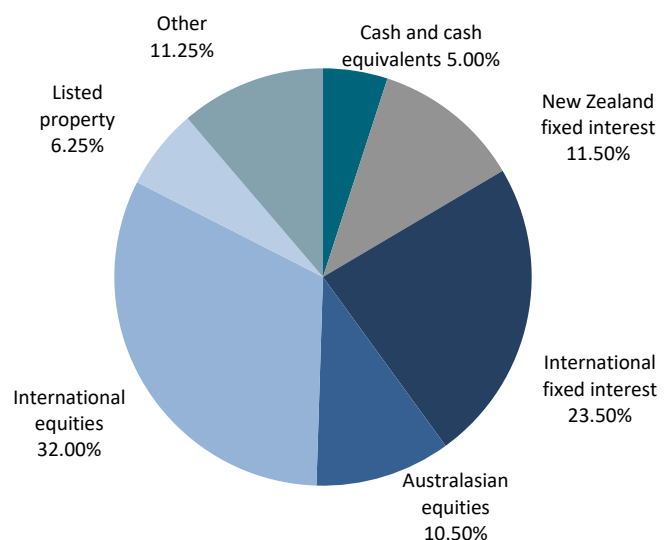
## WHAT DOES THE FUND INVEST IN?

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

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



### Target investment mix<sup>iii</sup>



## Top 10 investments

	Name	% of fund net assets	Type	Country	Credit rating (if applicable)
1	Mercer Overseas Shares Index Portfolio	16.3%	International equities	NZ	
2	Mercer Hedged Overseas Shares Index Portfolio	16.2%	International equities	NZ	
3	ANZ Wholesale International Aggregate Bond Fund <sup>iv</sup>	13.5%	International fixed interest	NZ	
4	Mercer Macquarie NZ Fixed Interest Fund	10.5%	New Zealand fixed interest	NZ	
5	Nikko AM Global Bond Fund	9.8%	International fixed interest	NZ	
6	Harbour Australasian Equity Fund	7.0%	Australasian equities	NZ	
7	Mercer Macquarie Global Listed Infrastructure Fund	6.7%	Other <sup>v</sup>	NZ	
8	Mercer Macquarie Global Listed Real Estate Fund	6.4%	Listed property	NZ	
9	Nikko AM Wholesale Multi-Strategy Fund	6.2%	Other <sup>vi</sup>	NZ	
10	ANZ Wholesale Australian Equity Fund <sup>vii</sup>	4.7%	Australasian equities	NZ	

The total value of the above 10 individual assets is 97.2% 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 current hedging arrangements within the Plan are as follows:

- international equities are managed with a target of 50% hedging (net of tax for a member taxed at the highest PIR) and an allowable hedging range of 40% to 60%;
- Australian equities are managed with a target of 0% hedging and an allowable range of 0% to 100% (before tax) depending on the underlying fund manager's view; and
- the following asset classes are 100% hedged to the New Zealand dollar unless otherwise agreed by the Trustee:
  - international listed property
  - international listed infrastructure
  - alternative income assets
  - international fixed interest.

Further details and additional information are available in the Statement of Investment Policy and Objectives for the Plan, which is available:

- at <https://portsretirement.org.nz>; and
- on the scheme register at <https://www.disclose-register.companiesoffice.govt.nz/> (select *search for a scheme* and enter *Ports*).

## KEY PERSONNEL

	Name <sup>viii</sup>	Current position	Time in current position	Previous or other position (if relevant)	Time in previous or other position
1	Paul Drummond	Director and Chair, Ports Retirement Trustee Limited	7 years, 9 months	Professional Trustee – various schemes (current positions)	10 years, 1 month
2	Andrew Johnson	Licensed Independent Trustee Director, Ports Retirement Trustee Limited	3 years, 6 months	Professional Trustee – various schemes (current positions)	5 years, 0 months
3	Wayne Butson	Director, Ports Retirement Trustee Limited	7 years, 9 months	Trustee, New Zealand Harbours Superannuation Plan <sup>ix</sup>	6 years, 0 months
4	Dion Young	Director, Ports Retirement Trustee Limited	7 years, 9 months	Trustee, New Zealand Harbours Superannuation Plan	7 years, 0 months
5	Andrew Kelly	Director, Ports Retirement Trustee Limited	7 years, 9 months	Trustee, New Zealand Harbours Superannuation Plan	7 years, 3 months

## FURTHER INFORMATION

You can also obtain this information, the PDS for the Ports Retirement Plan, and some additional information from the offer register at <https://www.disclose-register.companiesoffice.govt.nz/>.

## NOTES

<sup>i</sup> 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.

<sup>ii</sup> *Other* consists of investments in international listed infrastructure (actual allocation as at 31 March 2024 6.70%) and alternative income assets (actual allocation as at 31 March 2024 6.15%).

<sup>iii</sup> *Other* consists of investments in international listed infrastructure (target allocation 6.25%) and alternative income assets (target allocation 5.00%).

<sup>iv</sup> Since 31 March 2024, the Trustee has divested from this Fund. The relevant portion of the Plan's international fixed interest investments is now held in the Hunter Global Fixed Interest Fund (managed by Harbour).

<sup>v</sup> *Other* here consists of investments in international listed infrastructure.

<sup>vi</sup> *Other* here consists of investments in alternative income assets.

<sup>vii</sup> Since 31 March 2024, the Trustee has divested from this Fund. The Plan's Australasian equities investments are now held in the Harbour Australasian Equity Fund.

<sup>viii</sup> None of the persons listed has been named in any previous fund update for the fund.

<sup>ix</sup> This was the previous name for the Ports Retirement Plan.