



ANNUAL REPORT TO MEMBERS

and

SUMMARY FINANCIAL STATEMENTS

for the

PORTS RETIREMENT PLAN

Year ended 31 March 2019

Introduction

On behalf of the Directors of Ports Retirement Trustee Limited, (the Trustee) I present the Annual Report and Summary Financial Statements for the Ports Retirement Plan, (the Plan) for the year ended 31 March 2019.

HIGHLIGHTS OF THE YEAR

The Plan had another very satisfactory year. The before-tax investment return (after investment expense but before all other expenses and insurance costs) for the year ended 31 March 2019 was 6.5%.

During their regular quarterly meetings, the Directors continued to keep a focus on the Plan's investment performance. In a year with considerable volatility, a regular feature in investment markets, it is pleasing to report on the result shown above.

Members were kept regularly informed of the Plan's investment performance through the newsletters.

The Trustee amended the Plan's SIPO and PDS on 22 February 2019 to allow for the introduction of the conservative investment option for deferred members.

This is the third Annual Report prepared under the requirements of the Financial Markets Conduct Act 2013 (FMCA) and you are reminded of the change in headings and content required under this new legislation that differs from what you have seen previously. The sections headed *Details of Plan, Information on Contributions and Plan Participants, Changes Relating to the Plan, Other Information for Particular Types of Managed Funds, Changes to Persons Involved in the Plan, How to Find Further Information and Contact Details and Complaints* are all required by the FMCA to be included in the order shown (and their content reflects the new legislative requirements).

Returns to Members

Investment markets were volatile but ended the 2019 financial year positively.

The year ended 31 March 2019 saw global share markets rise 6.7% (or 10.0% in unhedged New Zealand dollar terms). The New Zealand share market was also strong, outperforming the Australian share market. Bond markets returned weaker – but still positive – results due to interest rates mostly being at lower levels than in previous years. The New Zealand Composite Bond index rose 6.8% and the global bond market was up 4.6% overall.

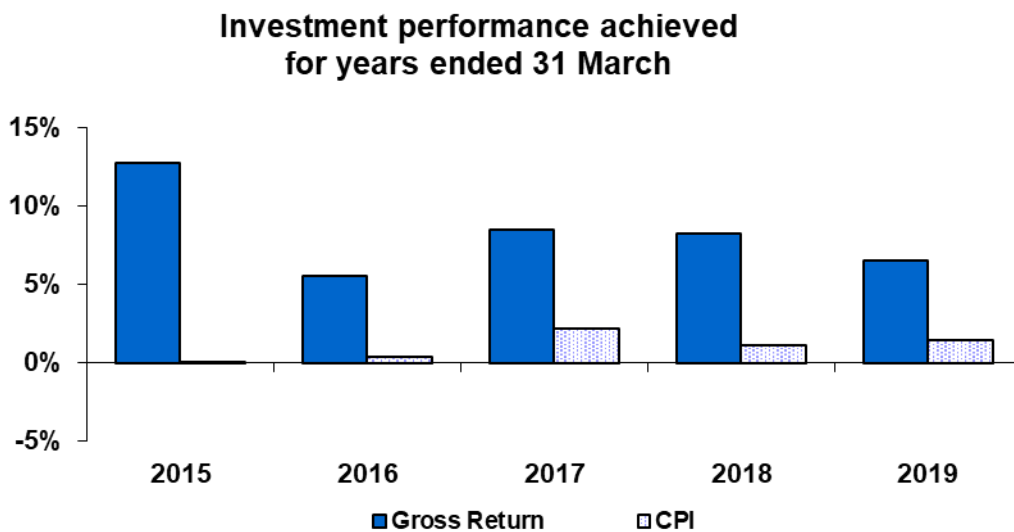
As mentioned above, the Plan's investment return for the year gave members an equivalent gross return (after investment expenses but before all other expenses and insurance costs) of 6.5% before tax. The return before all other expenses and insurance costs but after tax was 5.3% at a prescribed investor rate (PIR) of 28% and 5.8% at a PIR of 17.5%.

The details of other expenses, insurance costs (when applicable) and tax are set out in each member's year-end benefit statement. Due to the structure of those other expenses and insurance costs, and the complexity of the tax allocation process, it is not possible to advise in this Annual Report the crediting rate or rates applied to members' balances after expenses, costs and tax as this percentage rate differs for each individual member.

Over the five years ended 31 March 2019, the average annual pre-tax return (as described above) was 8.3% against the annual average rate of inflation of 1.1%, so the average annual pre-tax real return over that period was 7.2%.

Each year we look at the total expenses charged to members as a proportion of total assets and compare this to the same ratio in the balanced funds provided by all KiwiSaver Schemes. It is pleasing to report that the Plan's expense ratio remains competitive with the average expense ratio for balanced funds in KiwiSaver.

The graph below compares the pre-tax returns achieved by the Plan with inflation over the last five years.



Investment Issues

INVESTMENT REVIEW

Markets were favourable for the first half of the financial year with high investor confidence translating into strong equity returns, while relatively stable interest rates saw fixed interest continue to provide steady income.

Unfortunately, the 2018 year ended on a sour note for investors as risk-off sentiment struck hard in the December 2018 quarter. Global share markets (and less so New Zealand) were down significantly as investors fretted about a possible end to the favourable environment enjoyed since the global financial crisis. The downturn was triggered by the ramping up of trade difficulties between the US and China, as well as expectations of faster interest rate rises from the US Federal Reserve.

However, investors barely had time to contemplate their losses before share markets around the world experienced the largest rebound in some years. Throughout the March 2019 quarter, policymakers from the US to Europe to Australia and New Zealand either appeared to pause their monetary policy tightening bias or signal a potential loosening of monetary policy.

After a turbulent conclusion, the financial year turned out relatively well, with healthy returns in most sectors. Infrastructure and property investments were the standouts with returns of 21.1% and 17.0% respectively (before tax and investment costs) for the financial year. New Zealand and international equities were also positive with returns of 12.5% and 7.9% respectively (before tax and investment costs but including hedging losses on the international equities).

A fall in interest rates, particularly through the second half of the year, enhanced fixed income returns. The Plan's domestic fixed income manager returned 7.2% (before tax and investment costs), which was ahead of the international fixed income sectors which returned between 4.8% and 5.6% (before tax and investment costs). All these figures are respectable given the low interest rates on offer to investors in the current environment.

The Plan's exposure to alternative asset sectors continued to provide good diversity, albeit with lower returns than experienced in the equity and fixed income sectors.

INVESTMENT SECTOR ALLOCATIONS

As at 31 March 2019, the assets of the Plan were invested as shown in the table below, with the prior year proportions being shown for comparison.

Investment sector	\$m	31.03.2019	31.03.2018
		Proportion %	Proportion %
Shares NZ / Australian	9.5	11.6	11.0
Shares Overseas	25.7	31.3	31.2
Alternative assets	2.3	2.8	2.8
Property	4.5	5.5	5.3
Global Infrastructure	3.5	4.3	3.6
Growth Assets	45.5	55.5	53.9
Fixed Interest NZ	11.0	13.4	13.8
Fixed Interest Overseas	18.9	23.1	22.1
Alternative assets	4.4	5.3	5.4
Cash, net current assets	2.2	2.7	4.8
Income Assets	36.5	44.5	46.1
Total	82.0	100.0	100.0

STATEMENT OF INVESTMENT POLICY AND OBJECTIVES (SIPO)

The Trustee has duties under the trust deed and at law to ensure that the assets of the Plan are properly managed.

The Plan has a wide range of assets which should support a sustainable return to members over time.

A key objective in the SIPO is to outperform the CPI by 2.0% (previously 2.5%) on a rolling three year basis. This has been reduced from 2.5% to be more realistic in anticipating future market returns. The Plan has successfully achieved its out performance targets in the last three years and indeed over the last five years.

On 22 February 2019 the Trustee approved the introduction of the conservative fund as an investment option for deferred members. The main reason for this decision was to enable deferred members to adopt a less risky investment profile when they cease contributing to the Plan.

The new conservative fund was opened to deferred members from 1 April 2019.

The SIPO benchmark and strategic asset allocation ranges as at 31 March 2019 are shown in the table below:

Sector	Balanced		Conservative	
	Target %	Range %	Target %	Range %
Australasian Equities	10.50	5.50 - 15.50	5.00	2.50 - 7.50
Australasian Equities	7.00	5.00 - 9.00	5.00	2.50 - 7.50
Australian Equities	3.50	2.00 - 5.00	0.00	
International Equities	32.00	27.00 - 37.00	15.00	10.00 - 20.00
Property / Infrastructure	10.00	5.00 - 15.00	0.00	
Global Listed Property	5.00	2.50 - 7.50	0.00	
Global Listed Infrastructure	5.00	2.50 - 7.50	0.00	
Alternative Growth	2.50	0.00 - 5.00	0.00	
Total Growth Assets	55.00	50.00 - 60.00	20.00	15.00 - 25.00
Alternative Income	5.00	2.50 - 7.50	0.00	
NZ Fixed Interest	11.50	9.00 - 14.00	21.50	16.50 - 26.50
International Fixed Interest	23.50	18.50 - 28.50	43.50	38.50 - 48.50
PIMCO	11.75		21.75	
GSAM	11.75		21.75	
NZ Cash	5.00	2.50 - 7.50	15.00	10.00 - 20.00
Total Income Assets	45.00	40.00 - 50.00	80.00	75.00 - 85.00
Total Fund	100.00		100.00	
Foreign currency exposure				
Australian Equities	0.00	0.00 - 100.00	0.00	0.00 - 100.00
International Equities	50.00	0.00 - 100.00	50.00	0.00 - 100.00

Note: The conservative investment option was established prior to 31 March 2019 and opened to deferred members on 1 April 2019.

APPOINTED INVESTMENT MANAGERS

The Plan has four investment managers. Based on actual asset allocations, as at the end of the year the allocation to each manager was as follows:

AMP Capital Investors New Zealand Limited managed 26% of Plan assets, comprising Cash, New Zealand Bonds, Property (New Zealand and Global) and Global Infrastructure.

ANZ New Zealand Investments Limited managed 47% of Plan assets, split between Global Equities, Australian Equities and Global Bonds.

Nikko Asset Management New Zealand Limited managed 20% of Plan assets, split between Growth and Income-based Alternative Assets and Global Bonds.

Harbour Asset Management Limited managed 7% of Plan, assets in Australasian Equities.

There were no new manager appointments this year.

THE YEAR AHEAD

The global economic cycle appears to be maturing, particularly in the U.S. where the Federal Reserve is expected to ease monetary policy over 2019. GDP in the US is expected to grow by 2.5% over 2019, slowing to 2.0% in 2020.

The New Zealand Treasury estimates real GDP will grow 2.4% in calendar year 2019, with the outlook improving to 3.0% for calendar year 2020. The prediction for inflation is that it will increase marginally from the 1.5% in calendar year 2018 to sit near the middle of the Reserve Bank's 1%-3% targeted band for the foreseeable future.

Geopolitical and market risks remain elevated. Trade tensions between the U.S. and China continue to simmer and are having a large effect on short term market movements (both positive and negative, depending on developments). In the UK, Brexit continues to create uncertainty and the potential for market volatility around October is high.

The Plan continues to operate to a well-diversified investment mix in order to capture the best returns without taking on undue risk. The Plan's Investment Consultant considers that at present the Plan's chosen managers provide a suitable mix for the management of the Plan's assets. The managers are well aware of the issues that face investment markets and have sufficient abilities to manage the funds accordingly.

Compared to other similar schemes the Plan continues to operate to a more conservative strategy with slightly lower exposure to equity markets and more diversifiers in its line-up in the form of alternative asset classes.

Details of Plan

The scheme name is the Ports Retirement Plan (the Plan). The Plan is registered as a restricted workplace savings scheme.

The manager is the Ports Retirement Trustee Limited, whose Directors are named on page 12. The product disclosure statement for the Plan is dated 22 February 2019 and it remains open for applications. A fund update for the Plan was produced as at 31 March 2019.

The financial statements of the Plan as at 31 March 2019, and the auditor's report on those financial statements, have been lodged with the Registrar of Financial Service Providers and are available electronically by visiting companiesoffice.govt.nz/disclose, selecting search schemes and entering the Plan name.

Information on Contributions and Plan Participants

Total Members

Members	1 April 2018	31 March 2019
Contributing members	477	474
Non-contributing members	34	50
Total members	511	524

New Members

New Members In Year Ended 31 March 2019	
Transfers from other schemes	0
Other new members	47
Total new members	47

Member Exits

Member Exits In Year Ended 31 March 2019	
Leaving service	27
Death	1
Total and Permanent Disablement	1
Transfers to other schemes	Nil
Other reasons- withdrawal	5
Total member exits	34

Members' Accumulations

Members' accumulations	1 April 2018	31 March 2019
Total account balances	\$81,614,412	\$81,978,300
Number of members with accounts	511	524
Total members	511	524

Total Contributions

Contribution Type	Total In Year Ended 31 March 2019	Number of Members To Whom Contributions Related
Member contributions	\$2,939,019	510
Employer contributions*	\$1,637,780	510
Member voluntary contributions	Nil	Nil
Total contributions	\$4,576,799	510

*Net employer contributions credited to Plan after deducting employer superannuation contribution tax.

Changes Relating to the Plan

The Trust Deed was amended on 24 December 2018 to introduce the conservative investment option.

A replacement Product Disclosure Statement (PDS) was lodged on 22 February 2019. This reflects the conservative investment option that became available to deferred members effective on and after 1 April 2019.

A replacement Summary of Investment Policy and Objectives (SIPO) was also lodged on 22 February 2019. The main changes were the introduction of the conservative fund.

No transactions providing for related party benefits (as contemplated by section 172(1) of the FMCA) to be given from the Plan were entered into during the year ended 31 March 2019 on anything other than arm's-length terms.

Other Information for Particular Types of Managed Funds

During the year 58 Plan participants made a withdrawal that was permitted under the FMCA and the trust deed, and the grounds on which those withdrawals were made were as follows:

Withdrawal type	Number of members
Full withdrawals	34
Leaving service	32
Death	1
Total and Permanent Disability	1
Partial withdrawals	24
Contributing members aged 65 plus	12
Non-contributing members	12
Relationship property sharing order	0

The Trustee confirms that for the year ended 31 March 2019 all contributions required to be made to the Plan in accordance with the terms of the trust deed were made.

The Trustee confirms that:

1. All the benefits required to be paid from the Plan in accordance with the terms of the trust deed have been paid.
2. The market value of the property of the Plan as at 31 March 2019 equalled the total value of benefits that would have been payable had all members of the Plan ceased to be members at that date and had provision been made for the continued payment of all benefits being paid to members as at that date.

As noted earlier in this Annual Report:

- the Plan's before-tax investment return (after investment expenses but before all other expenses and insurance costs) for the year ended 31 March 2019 was 6.5%; and
- this gross return will have been 5.3% at a PIR of 28% and 5.8% at a PIR of 17.5%;

but due to the complexity of those other expenses and insurance costs, and the tax allocation process, it is not possible to advise in this Annual Report the crediting rate or rates applied to members' balances after expenses, costs and tax (as that percentage rate differs for each individual member).

Changes to Persons Involved in the Plan

Ports Retirement Trustee Limited is the Trustee of the Plan. The Directors of the Trustee, act as manager of the Plan and custodian of the Plan's property.

There was one change during the year to the directors, as advised in last years annual report to members. Stephen Connolly resigned as a Director effective 22 February 2018 and Jonathan Gardiner was appointed as a Director effective 9 May 2018.

There were no other changes to the administration manager, any investment manager, the securities registrar or the auditor of the Plan.

There were no changes in the control of the Trustee during the year ended 31 March 2019.

How to Find Further Information

The following information is available electronically (and free of charge) on the Disclose Register at companiesoffice.govt.nz/disclose:

- copies of the trust deed, the Plan's latest audited financial statements, the statement of investment policy and objectives and the annual report (select *search schemes* and enter the Plan name); and
- copies of the product disclosure statement, the annual fund update and other material information relating to the Plan (select *search offers* and enter the Plan name).

Copies of the statement of investment policy and objectives, the product disclosure statement, the latest annual report and the latest fund update (as well as other information about the Plan) are also available on the Plan's website portsretirement.org.nz.

You can obtain a copy of any of those documents (or an estimate of your benefits) from the Trustee free of charge by writing to the administration manager at the following address:

Ports Retirement Plan
Melville Jessup Weaver
Level 5, 40 Mercer Street
PO Box 11330
Wellington 6142

Contact Details and Complaints

Contact details for the Administration Manager are:

Ports Retirement Plan
Melville Jessup Weaver
Level 5, 40 Mercer Street
PO Box 11330, Wellington 6142

Phone: 0800 728 370

Any queries or complaints about the Plan can be made by contacting the Trustee at the above address.

The administration manager also acts as the securities registrar for the Plan and can be contacted (in that capacity) at the above address.

The Trustee has established a process to deal with any complaints that members might have. The process is confidential, providing members with the ability to be satisfied that all their dealings with the Plan have been handled properly. The first step is to contact either the secretary or the administrator in confidence to set out your complaint.

Members also have the right to send their complaints directly to the Plan's external disputes resolution service, Financial Services Complaints Limited ("FSCL"). FSCL's contact details are:

Website: www.fscl.org.nz
Email: info@fscl.org.nz
Telephone: 0800 347257 (call free for consumers)
(04) 472 FSCL (472 3725)
Fax: (04) 472 3727
Postal address: PO Box 5967 Lambton Quay
Wellington 6145

Neither we nor FSCL will charge a fee to any complainant to investigate or resolve a complaint.

Summary of the Plan's Operational Results

Activities in the last five years are summarised in the following table.

Year ended 31 March	2019	2018	2017	2016	2015
Audited Accounts	\$m	\$m	\$m	\$m	\$m
Fund start of year	81.6	81.0	81.0	84.2	78.4
Contributions	4.6	4.6	4.4	4.4	4.3
Benefits	(8.3)	(9.3)	(9.8)	(11.0)	(7.1)
Expenses	(0.6)	(0.5)	(0.5)	(0.5)	(0.5)
Taxation	(0.5)	(0.7)	(0.8)	(0.4)	(0.9)
Investment income	5.1	6.5	6.6	4.0	10.0
Other income	0.1	0.0	0.1	0.3	0.0
Fund end of year	82.0	81.6	81.0	81.0	84.2

Over the year ended 31 March 2019, total members' balances increased marginally to \$81.978 million, from \$81.614 million in the prior year. That increase \$363,888 compares with an increase of \$541,281 in the prior year.

The main reason that the value of the Plan's assets increased slightly, despite there being benefit payments of \$8.3 million and contributions of only \$4.6 million, was that the Plan had gross investment income (after investment expenses but before all other expenses, insurance costs and tax) of \$5.1 million.

Plan Administration

MEMBER SERVICES

Contacts

For personal member balances and enquiries contact the Administrator, **Claire Shiels**, Melville Jessup Weaver phone (04) 499 0277, email claire.shiels@mjlw.co.nz



The Plan Secretary, **Debby Green**, Rail & Maritime Transport Union phone (04) 499 2066, email dgreen@rmtunion.org.nz



Wills and Your Nominated Beneficiary

Issues relating to wills and nominated beneficiaries remain of vital importance to members.

Due to this we make no apologies for making this section a regular feature in the Annual Report.

The question most often asked about a will is 'Do I need one?'. The answer, because you are going to die at some time, is 'Yes' - otherwise you will create difficulties for those you care about.

The Plan provides a death benefit which has to be paid out. But it is the Trustee who is charged with correctly paying out that benefit. The Trustee has a broad discretion as to how to distribute the benefit and may pay it to one or more of a range of potential recipients including (among others) anyone whose name and details you have notified to us in writing, your spouse, your children, your dependants or your estate – the point is that the Trustee has to decide.

So you need to make sure that the Trustee has good information to help it make an appropriate decision about who should receive the benefit. There are two things that you should do:

- firstly, keep your Plan nominated beneficiary details up to date, and
- secondly, make a will, as the will directs how assets in (or paid to) your estate must be distributed.
- Ideally your will would state that the funds from your Ports Retirement Plan should be paid directly to your Estate/ or your Wife/Husband/children as per your named beneficiary(ies).

If you do not have a will, the Court may appoint an administrator to manage your estate, which takes time and may not be someone you would have chosen.

Then the assets in your estate (which may include some or all of your death benefit from the Plan, if the Trustee makes a payment to your estate) are distributed according to the Administration Act, which may not be what you would have wanted.

Another way of looking at this is to know that if you have advised the Trustee of your nominated beneficiaries and if you have made a will, you help make the financial consequences of your death much easier for your loved ones.

Conclusion

In a year when investment markets have often been under pressure I am pleased to be able to report that the Plan enjoyed another satisfactory year. Again the year ahead will not be without its difficulties for investment markets and significant volatility should be anticipated. Your Directors and our advisors are well aware of what may lie ahead and at all times will continue to operate the Plan in the best interests of the members.

It is pleasing that the conservative investment option for Deferred Members has been established in the Plan. This innovation is designed to provide the opportunity for Deferred Members who have retained funds in the Plan to have the opportunity to transfer all or part of those funds to a more conservative investment option. It also enables members who take advantage of the option to retain access to the expertise of the Plan's investment managers and our competitive fee structure.

I also record my thanks for the valuable support and contribution to the Plan made by my fellow Directors. The contribution made by the Rail & Maritime Transport Union and the staff of Melville Jessup Weaver is also acknowledged.

DAVID S STEVENS

CHAIRMAN

13 June 2019

Profiles of Trustee's Directors



David Stevens was appointed the Chairman of Trustees in 1994 and is now the Chairman of Directors of Ports Retirement Trustee Limited. He is a retired senior banker and a retired Executive Director of Workplace Savings New Zealand. He is a Trustee of and involved in the management of a number of charitable organisations.

Wayne Butson was appointed a Trustee in March 2010. Wayne is the General Secretary of the Rail & Maritime Transport Union and a Trustee of the Locomotive Engineers' SAD Fund and the NZ Railways Staff Welfare Trust.



Jonathan Gardiner was appointed a Director of the Trustee in May 2018. Jonathan has been the Chief Financial Officer of the Lyttelton Port Company since July 2014. Jonathan has a Bachelor of Management Studies (Hons) from Waikato University.

Chris Ball was appointed a Director of the Trustee in February 2017. He is a Chartered Accountant and is also a Trustee of the Locomotive Engineers' SAD Fund.



Paul Drummond (Licensed Independent Trustee) was appointed a Trustee in 2016. He acts as the Licensed Independent Trustee Director of the Plan for the purposes of the FMCA. He spent over 40 years in banking and investment-related roles with several New Zealand banks before retiring in 2013. He is currently acting as Executive Trustee of the NZ Red Cross Foundation and has Licensed Independent Trustee roles for several other restricted workplace savings schemes.

Andrew Kelly was appointed a Trustee in November 2014. He has worked as a fitter/turner at LPC since 2006. He is branch president of the Rail & Maritime Transport Union and also South Island Ports Representative on the NMC. Andrew served his apprenticeship in the UK and moved to NZ 30 years ago.



Simon Kebbell was appointed a Director of the Trustee in February 2017. Simon is an experienced finance professional who holds a Bachelor of Management Studies (Hons) and is also a Chartered Accountant. Simon is currently the IT/Finance Manager for the Port of Tauranga Limited.

Dion Young was appointed a Trustee in October 2009 and works as a cargo handler/crane driver for C3 Limited in Tauranga. Dion, a South Islander who now lives in Mount Maunganui, is a delegate of the Rail & Maritime Transport Union Bay of Plenty Port Branch.



Summary Financial Statements

The following summary financial statements have been extracted from the full financial statements for the year ended 31 March 2019, which were authorised for issue by the Trustee on 13 June 2019. An unmodified audit report was issued on the full financial statements on 13 June 2019.

There is no requirement to obtain an audit opinion on the summary financial statements. Consequently, the summary financials are unaudited.

As the summary financial statements do not include all the disclosures included in the full financial statements, they cannot be expected to provide as complete an understanding as is provided by the full financial statements of the financial position, financial performance and cash flows of the Plan.

A copy of the full financial statements can be obtained from the Administrator:

Melville Jessup Weaver (Claire Shiels):

Telephone (04) 499 0277

Freephone 0800 728 370

Email claire.shiels@mjlw.co.nz.

The full financial statements comply with the Financial Reporting Act 2013 and were lodged on the Disclose Register (companiesoffice.govt.nz/disclose) on 28 June 2019.

The full financial statements and the summary financial statements are presented in New Zealand dollars because that is the currency of the primary economic environment in which the Plan operates.

The full financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand and the requirements of the Financial Reporting Act 2013.

The full financial statements comply with *New Zealand Equivalents to International Financial Reporting Standards* (NZ IFRS) and other applicable Financial Reporting Standards, as appropriate for profit-oriented entities. The full financial statements also comply with International Financial Reporting Standards (IFRS) as issued by The International Accounting Standards Board.

PORTS RETIREMENT PLAN

**Statement of Net Assets
As at 31 March 2019**

	Note	2019 \$	2018 \$
CURRENT ASSETS			
Cash at Bank		42,708	67,869
Contributions Receivable - Member		162,860	140,510
Contributions Receivable - Employer		135,391	83,524
Total Current Assets		<u>340,959</u>	<u>291,903</u>
FINANCIAL ASSETS - At Fair Value Through Profit or Loss			
	5		
Short Term Deposits		2,078,711	4,922,767
Fixed Interest - Onshore		10,996,612	11,242,675
Fixed Interest - Offshore		18,937,349	18,037,705
Equities - Trans Tasman		9,522,947	8,987,470
Equities - Offshore		25,924,837	25,640,978
Property Domestic		-	2,154,617
Property International		4,489,676	2,196,617
Global Infrastructure		3,493,716	2,898,944
Alternative Assets - Growth		2,317,625	2,284,092
Alternative Assets - Income		4,359,309	4,392,601
Forward Foreign Exchange		(271,078)	(166,750)
Total Investments		<u>81,849,704</u>	<u>82,592,116</u>
Total Assets		82,190,663	82,884,019
Less LIABILITIES			
Sundry Accounts Payable		157,440	144,886
Benefits payable		-	713,622
Taxation payable	8	54,923	411,099
Total Liabilities		<u>212,363</u>	<u>1,269,607</u>
NET ASSETS AVAILABLE FOR BENEFITS		<u>81,978,300</u>	<u>81,614,412</u>
LIABILITY FOR PROMISED BENEFITS			
<i>Represented By:</i>	3 & 4		
Member Accounts		53,147,565	52,991,881
Employer Accounts		28,830,735	28,622,531
		<u>81,978,300</u>	<u>81,614,412</u>

For and on behalf of the Trustee, who authorised the issue of these financial statements on:

Director:  _____

Date: 13 June 2019

Director:  _____

Date: 13 June 2019

PORTS RETIREMENT PLAN

**Statement of Changes in Net Assets
For the year ended 31 March 2019**

INVESTMENT ACTIVITIES	Note	2019 \$	2018 \$
Investment revenue			
Gains on Financial Assets at Fair Value Through Profit or Loss	6	5,610,805	6,981,490
		<u>5,610,805</u>	<u>6,981,490</u>
Investment Expenses			
Gross Investment Management Fees		(574,077)	(570,445)
Investment Management Fee Rebates		105,437	101,610
Net Investment Revenue	7	5,142,165	6,512,655
 OTHER REVENUES			
Group Life Claims		75,670	-
Use of Money Interest	7	3,072	2,324
Total Other Revenue		<u>78,742</u>	<u>2,324</u>
 OTHER EXPENSES			
Administration and Investment Advisor Fees		(284,312)	(245,384)
Auditors' Remuneration - Audit of Financial Statements		(18,975)	(20,125)
Auditors' Remuneration - Custodian Controls		-	(17,122)
Group Life Premiums		(214,914)	(199,969)
Trustees Remuneration		(52,966)	(48,276)
Auditors' Remuneration - Taxation Services Fees		(17,848)	(23,230)
Total Other Expenses		<u>(589,015)</u>	<u>(554,106)</u>
 Change in Net Assets Before Taxation and Membership Activities		<u>4,631,892</u>	<u>5,960,873</u>
 MEMBERSHIP ACTIVITIES			
Contributions			
Member Contributions		2,939,019	2,933,356
Employer Contributions		1,637,780	1,639,710
Total Contributions		<u>4,576,799</u>	<u>4,572,066</u>
 Benefits Paid			
Retirement		(2,251,956)	(5,175,703)
Withdrawals		(2,968,892)	(1,619,672)
Redundancy		(142,452)	-
Death and Permanent Incapacity		(315,188)	(22,229)
Resignation		(2,603,849)	(2,449,957)
Total Benefits Paid		<u>(8,282,337)</u>	<u>(9,267,561)</u>
 Income Tax Expense	8	(562,466)	(724,115)
Net Membership Activities		<u>(4,268,004)</u>	<u>(5,419,610)</u>
 Net Increase in Net Assets During Year		363,888	541,263
 Net Assets Available for Benefits at Beginning of Year		81,614,412	81,073,149
 Net Assets Available for Benefits at End of Year		<u>81,978,300</u>	<u>81,614,412</u>

PORTS RETIREMENT PLAN

Statement of Cash Flows
For the year ended 31 March 2019

	Note	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Cash provided from</i>			
Member Contributions		2,916,669	2,951,892
Employer Contributions		1,585,914	1,652,318
Group Life Claims		75,670	-
		<u>4,578,253</u>	<u>4,604,210</u>
<i>Cash applied to</i>			
Benefits Paid		(8,995,958)	(8,977,783)
Other Administration Expenses		(308,582)	(292,863)
Taxation Paid		(915,570)	(444,349)
Insurance		(214,914)	(199,968)
Trustee Fees		(52,966)	(48,276)
		<u>(10,487,990)</u>	<u>(9,963,239)</u>
Net Cash Flows from Operating Activities	9	(5,909,737)	(5,359,029)
CASH FLOWS FROM INVESTING ACTIVITIES			
<i>Cash provided from</i>			
Sale of Investments		8,994,500	15,576,269
<i>Cash was applied to</i>			
Purchase of Investments		(3,109,924)	(10,159,991)
Net Cash Flows from Investing Activities		<u>5,884,576</u>	<u>5,416,278</u>
Net (Decrease)/Increase in Cash Held		(25,161)	57,249
Cash at Beginning of Year		67,869	10,620
Cash at End of Year		<u>42,708</u>	<u>67,869</u>

ADMINISTRATION MANAGER

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Plan Secretary
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AUDITOR

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Wellington 6140

SOLICITOR

Chapman Tripp
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Wellington 6140

COMPLAINTS RESOLUTION SERVICE

Financial Services Complaints Limited
P O Box 5967
Wellington 6145

INVESTMENT MANAGERS

AMP Capital Investors (New Zealand) Limited
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Wellington 6140

ANZ New Zealand Investments Limited
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Harbour Asset Management Limited
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Nikko Asset Management New Zealand Limited
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PLAN SECRETARY

Information can be obtained from and all correspondence from members to the Trustee should be addressed to:

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