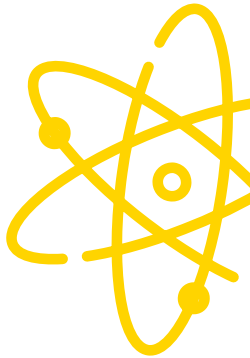


Employee Retirement Plan

annual report



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Overview



\$789.2

million
in net assets



\$83,603

average account
balance



2,811

members made
partial withdrawals



118,266

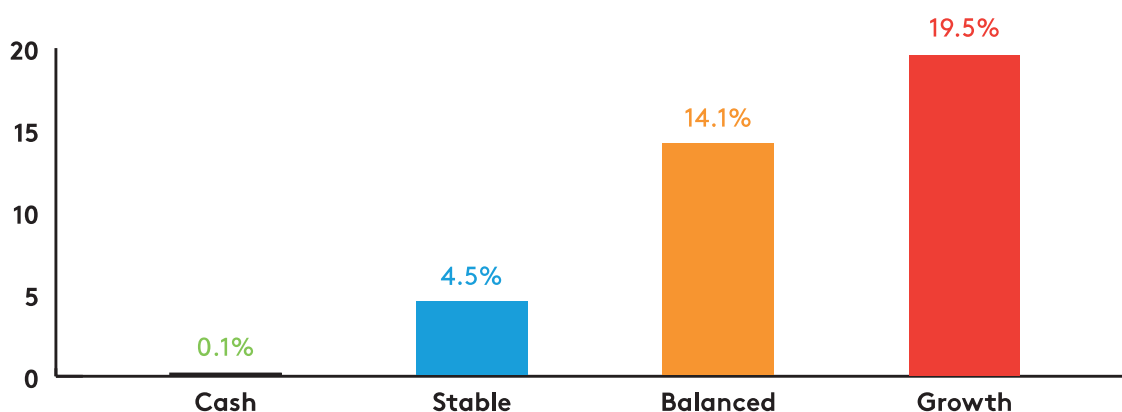
website page views



3,423

calls to helpline

Returns after fees & taxes for each investment option
for the year to 30 June 2021



Trustee's Message

Welcome to the Employee Retirement Plan annual report for the year ended 30 June 2021.

The global COVID-19 pandemic impacted financial markets throughout the year. Despite heightened market volatility at times, positive news on vaccine roll-outs played a key part in helping markets rally to finish the 30 June 2021 year strongly. The 2021 financial year saw a good bounce back for the Scheme following the poor finish of the prior year. When thinking about your returns, it is best to combine the two particularly unpredictable years and consider long term performance.

Supportive monetary policies, including low interest rates and the wage subsidy scheme, helped support households and businesses during periods of lockdown, and as restrictions eased, production of goods and services gradually increased.

A 'Second wave' of confirmed COVID-19 cases occurred in various countries around the world during September 2020, and combined with the uncertainty of the US elections, global financial markets fell during the month by -2.9%. Market volatility continued in the October to December quarter largely caused by uncertainty created by a resurgence of COVID-19 cases in Europe and the US, investors seeking less risky assets such as bonds, the positive news of a COVID-19 vaccine and political tensions.

Fast forward to May 2021, investors enjoyed mostly positive returns impacted by faster than expected implementation of the vaccines against COVID-19, positive investor sentiment and growing business confidence. Many developed economies such as the US and Europe continued to reopen from COVID induced lockdowns, although, while global shares experience positive returns off the back of this, the year ended 30 June 2021 has been especially volatile and unusual.

Thank you to everyone who took the time to complete the recent member survey. Your feedback provided useful comments and insights that we will review and consider.

Our new TRSS website launched in May 2021, and offers members easier navigation, improved site functionality and enhanced security. You will likely notice the improved website layout on mobile devices, making it even easier for you to get information about the Scheme and your account while on the go.

I want to acknowledge and thank the Ministry of Education and Mercer in their ongoing support of this Scheme and commitment to helping members achieve a good financial future. As noted, this financial year has been more volatile than what we have seen in many years. It is important to remember that saving for retirement is a long-term task, and while the short-term market outlook remains uncertain, we encourage members to retain a focus on long-term objectives.

I recommend you to take a moment to read this annual report and your member statement, as these provide helpful information on your account and the Scheme. And as always, if you have any questions about these documents please give Helpline a call on **0508 4 TEACH (0508 4 83224)** or email to nztrssep@mercercorp.com.

On behalf of the Trustee, Public Trust



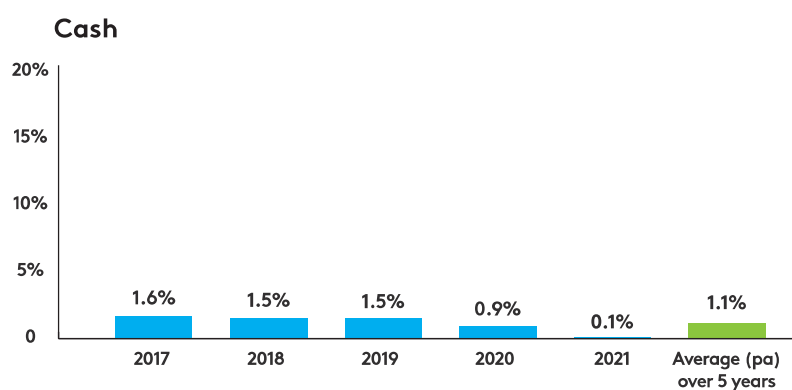
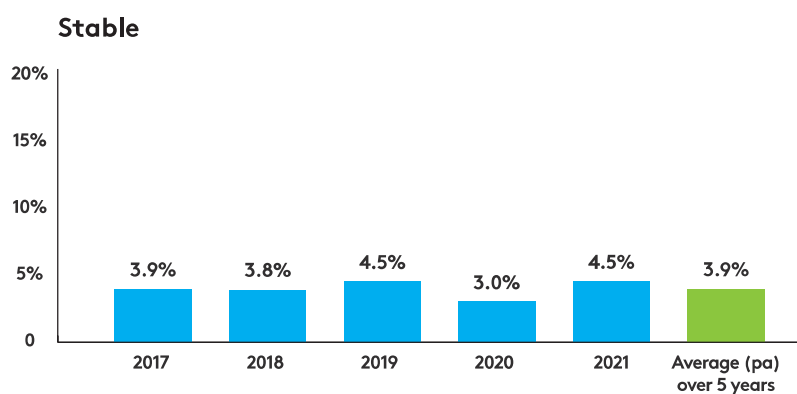
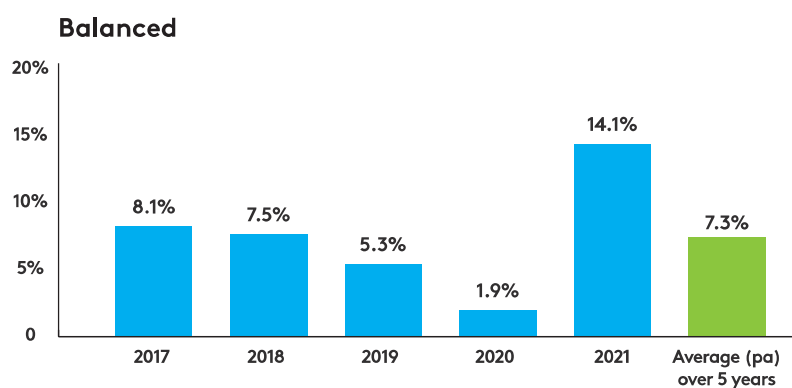
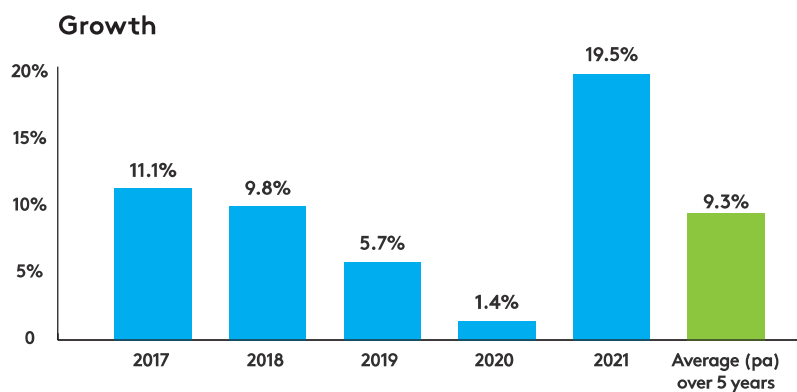
Andrew Hughes
GM Corporate Trustee Services, Public Trust

08 October 2021



Investment Returns

The following graphs show the returns, after fees and tax, for each of the last five years, as well as the average annual return over five years for each investment fund.



Scheme news

Regular withdrawals

The Scheme offers members the option to apply for a regular withdrawal so you can regularly receive some of your savings, while keeping a majority of your savings invested in the Scheme. Members aged 55 to 65 who have reduced their working hours from full time down to 30 hours a week or less, or members who are age 65 or over, are eligible to apply for a regular withdrawal. This is a good way to have additional income, while still remaining a member of the Scheme. For more information about the regular withdrawal option, or to apply, please download the Regular Withdrawal Fact Sheet available at www.teachersretire.org.nz under 'Documents & Forms'.

Online investing platforms transform attitudes to investing

The Financial Markets Authority (FMA) great debate in early August 2021 focused on DIY investing. It is estimated that more than 250,000 New Zealanders are using online investment portals such as Sharesies, Hatch and InvestNow, three-quarters of them aged 25-44. Eight out of 10 New Zealand investors have a more favourable view of investing and financial markets after using online investing platforms, according to research released by the Financial Markets Authority - Te Mana Tātai Hokohoko. The research shows that investing has become "social", with new investors more likely to be influenced by online forums and an emotional connection with a company's brand than their financial reports and disclosures. To read more please visit www.fma.govt.nz/new-and-resources/media-releases

Switching your investment fund

The scheme offers you four investment funds – Growth, Balanced, Stable, and Cash. You have the flexibility to choose a single fund or a combination of funds for your current account balance or future contributions. You can make changes to your investment fund(s) allocation at any time. You can make an investment switch online when you log into www.teachersretire.org.nz or by calling 0508 4 TEACH (0508 4 83224). Before making any changes to your investment strategy, you should speak with a financial adviser and read the Member Booklet for the Scheme (available at the Documents page on the website for a description of the switching process). There is no charge for the first investment switch made within the financial year (1 July – 30 June). However, a fee applies for any subsequent changes during the same financial year. At the time of writing this article, the fee for subsequent changes is currently \$40. For more information on switching your investment fund, please visit www.teachersretire.org.nz/latest-news/investments/switching-your-investment-fund

Finding a Financial Adviser

A financial adviser can provide you with independent guidance and advice on superannuation and other financial services and products. The right adviser can save you time and help you achieve your financial goals. Remember, that it's your money, so the advice provided should focus on your individual requirements and, where necessary, take into account your short, medium and long-term needs.

Speak with several advisers before making a decision about which adviser to use. Find out if they only offer general financial guidance or are qualified (and have the experience) to provide advice that matches your particular needs. Some advisers charge a service fee, while others operate on a commission basis or may receive sales-related incentives. The Financial Markets Authority website, www.fma.govt.nz/consumers/getting-financialadvice, provides helpful information about choosing the right financial adviser. You can also find out more about individual financial advisers on the Companies Office's Financial Service Providers Register (FSPR), www.fspr.govt.nz.

Superannuation Rates

Each year, the Government reviews the rate of New Zealand Superannuation. NZ Super is pegged to the national average ordinary-time wage, which is currently \$67,007 a year, before tax for the year ending 31 March 2021.

		
\$26,345_{pa}*	\$24,233_{pa}*	\$39,984_{pa}*
Single person, living alone	Single person, sharing	Combined for married couple

*Before tax

For more information about eligibility, go to www.workandincome.govt.nz.



Statutory Information

Details of scheme

This is the annual report for the Employee Retirement Plan (the 'Plan') for the year ended 30 June 2021. The Plan is a restricted workplace savings scheme for teachers and principals in state and state-integrated schools.

Public Trust (the 'Trustee') is the Plan's licensed independent trustee and manager.

The Plan was closed to new members from 30 September 2008.

As at the Plan's 30 June 2021 balance date, the most recent fund updates were dated 28 September 2020 for the year ending 30 June 2020. Since then, fund updates dated 30 September 2021 for the year ending 30 June 2021 were made publicly available.

As at the Plan's 30 June 2021 balance date, the most recent financial statements and auditor's report were for the year ending 30 June 2020 and were lodged with the Registrar of Financial Service Providers on 28 September 2020. Since then, financial statements and an auditor's report for the year ended 30 June 2021 were lodged on 27 September 2021.

Copies of the full financial statements (including the auditor's report) and fund updates are available on www.disclose-register.companiesoffice.govt.nz (search for Employee Retirement Plan) and on www.teachersretire.org.nz

Information on contributions and scheme participants

The following table provides a summary of changes in Plan membership over the year to 30 June 2021:

	Contributing members	Non-contributing members	Total number of members
Membership at 1 July 2020	7,032	2,656	9,688
<i>Less</i>			
Retirement			140
Death			11
Transfers out			23
<i>Other</i>			
- Leaving service withdrawals			60
- Retrenchment/redundancy			1
- Ill health			7
- Permanent emigration			5
- Financial hardship			1
Total withdrawals			248
Membership at 30 June 2021	6,686	2,754	9,440

Note: There were no new members or transfers in as the Plan was closed to new members from 30 September 2008.

Member Accumulations	30 June 2020	30 June 2021
Total members' accumulations	\$694,089,781	\$789,211,730
Number of members	9,688	9,440
Contributions	Members	Total amount
Member contributions	7,563	\$15,513,457.07
Member voluntary contributions	2,492	\$5,730,185.29
Employer contributions	7,441	\$15,316,983.70
Total contributions		\$36,560,626.06

Changes relating to the scheme

Trust Deed

The Trust Deed was amended on 16 December 2020 to reflect changes brought about under the Trusts Act 2019 and the Public Service Act 2020.

Statement of Investment Policy and Objectives (SIPO)

The Plan's SIPO was amended effective 21 October 2020 to increase the percentage of asset allocation to growth assets.

There was also a change in investment objectives and Strategic Asset Allocations and market index description for Cash and other Fixed Interest.

A copy of the SIPO is available on the Plan's website www.teachersretire.org.nz/ and the Scheme Register www.disclose-register.companiesoffice.govt.nz (click on Search Schemes, enter Employee Retirement Plan, and click on the Documents tab).

Related Party Transactions

As at 30 June 2021, the Plan holds no investments in the employer or any of its related parties. During the year the Plan received \$15,316,984 (2020: \$15,048,192) of employer contributions. Trustee fees of \$194,717 (2020: \$184,732) were paid to Public Trust.

All related party transactions were conducted on arm's length terms.

Saving for the future

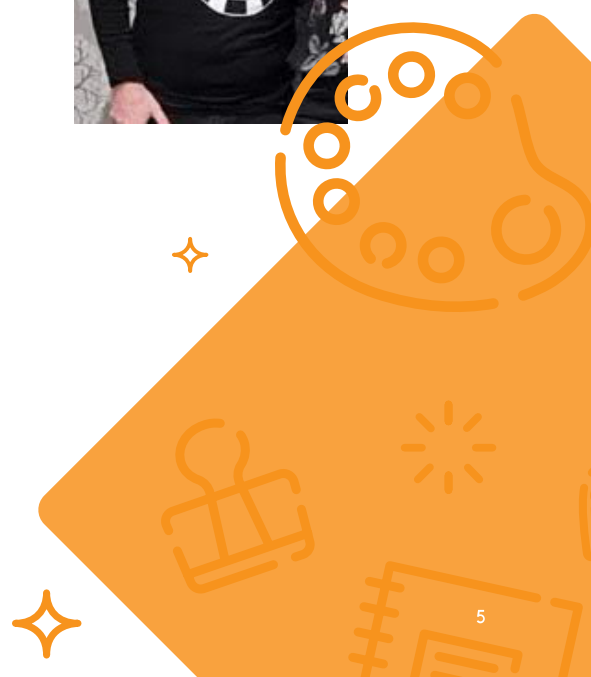
Steve Zonneville has been a part of the scheme since 2004.

My role as Principal at Gleniti School in Timaru varies day by day. Each day at work for me is different so there is rarely a dull moment. Outside of work, I am in an indie pop band, which I play guitar and sing for. We write our own songs and music, which I thoroughly enjoy doing.

Saving for my retirement is vital and it is a bit of a no brainer really. I recognise that it is a long-term task. If you want to have a comfortable retirement, it is important to start early. Retirement is a lengthy chapter of your life so to make it enjoyable I know I will need to keep saving. Being in the education world for a long time it is hard not to have heard about the TRSS, I wish I had joined the scheme earlier.

I keep track of how my retirement savings are going by logging on to the TRSS website. The website is great and easily accessible for checking details regarding my account, current balance and scheme updates.

Retirement is still a few years away for me but I feel I am on the right track to saving for when that time comes. One of the main things I am looking forward to when I eventually reach that golden age is having time to do what I want when I want and to enjoy a well-deserved retirement.



Other information for particular types of managed funds

Withdrawals

Number of members

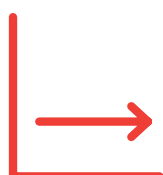
Full withdrawals	
Retirement	140
Leaving service/resignation/withdrawals	60
Retrenchments/redundancy	1
Transfer to another scheme	23
Death and total permanent disablement (ill health)	18
Permanent emigration	5
Financial hardship	1
Total full withdrawals	248
Partial withdrawals	
Financial hardship/Relationship Property	22
First home withdrawals	16
In-service withdrawals	2,773
Total partial withdrawals	2,811

Note: Partial withdrawals are payable to members who remain in the Plan.

Year-end crediting rates - Plan investment funds



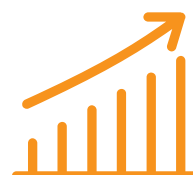
Cash
0.1%



Stable
4.5%



Balanced
14.1%



Growth
19.5%

Declared interest rates for the year to 30 June 2021

The declared interest rates are the rates applied to benefits paid out during the year.

	Cash	Stable	Balanced	Growth
2020				
July	0.01%	0.99%	1.71%	2.08%
August	0.02%	0.59%	1.51%	2.17%
September	0.01%	-0.16%	-0.77%	-1.08%
October	0.01%	-0.17%	-0.23%	-0.37%
November	0.01%	1.39%	3.90%	5.23%
December	0.01%	0.57%	1.77%	2.37%
2021				
January	0.02%	-0.22%	0.00%	0.17%
February	0.01%	-0.96%	-0.47%	-0.14%
March	0.01%	0.85%	2.35%	3.20%
April	0.01%	0.74%	1.69%	2.09%
May	0.01%	-0.02%	0.04%	0.06%
June	0.01%	0.80%	1.86%	2.39%

Trustee's statement

As Trustee of the Plan, the Trustee confirms that:

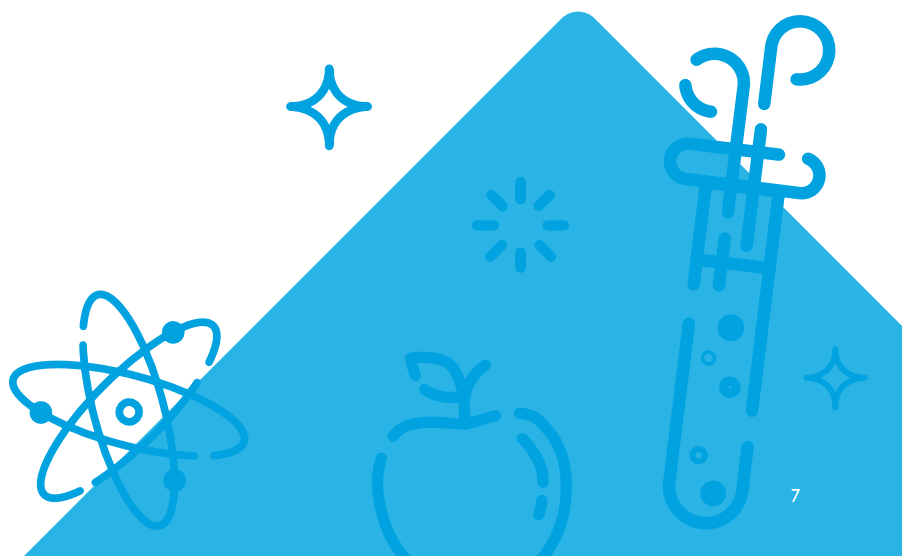
- all contributions required to be made to the Plan in accordance with the terms of the trust deed have been made; and
- all benefits required to be paid from the Plan in accordance with the terms of the trust deed have been paid; and
- the market value of the Plan's assets at 30 June 2021 equalled or exceeded 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 and other beneficiaries as at 30 June 2021

On behalf of the Trustee, Public Trust



Andrew Hughes
GM Corporate Trustee Services, Public Trust

08 October 2021



Changes to persons involved in the scheme

Trustee

The Plan's Trustee and Manager is Public Trust. As at 30 June 2021, the Board members of the Trustee and Manager were:

- Ian Fitzgerald (Chair)
- John Duncan (Deputy Chair)
- Meleane Burgess
- Kevin Murphy
- Kirsty Campbell
- Graham Naylor
- Vicki Sykes

Board member changes

There were no Board changes during the year ended 30 June 2021.

Professional advisers

The Trustee is assisted in the management of the Plan by the following professional advisers:

- **Auditor:** PwC
- **Administrator:** Mercer (N.Z.) Limited
- **Investment consultant:** Mercer (N.Z.) Limited
- **Securities registrar*:** Mercer (N.Z.) Limited
- **Solicitor:** DLA Piper
- **Tax consultant:** Deloitte

*The securities registrar holds the Plan's member register.



How to find further information

Further information relating to the Plan, including financial statements, annual fund updates, the trust deed and statement of investment policy and objectives is available on the offers register and schemes register at www.disclose-register.companiesoffice.govt.nz (search for Employee Retirement Plan).

Information relating to the Plan is also available from the Administration Manager at the address below.

There is no charge for providing any of the above information.

Contact details and complaints

The Trustee and Administration Manager

Public Trust

Corporate Trustee Services
Private Bag 5902
Wellington 6140
Phone: 0800 371 471
Email: info@publictrust.co.nz

Address communications for the Trustee, Administration Manager or Securities Registrar to:

Krissy Winstanley

Secretary
Employee Retirement Plan
Mercer (N.Z.) Limited
PO Box 1849
Wellington 6140
Phone: 04 819 2600
Email: krissy.winstanley@mercerc.com

Complaints

All complaints must be made in writing and should initially be addressed to the Secretary at the above address.

The Trustee undertakes to investigate your concerns promptly and fairly.

The Trustee is a member of an independent dispute resolution scheme, Financial Services Complaints Limited ('FSCL'). If you are not satisfied with the Trustee's decision about your complaint, you may refer the matter to FSCL at the following address:

Financial Services Complaints Limited

101 Lambton Quay
PO Box 5967, Lambton Quay
Wellington 6140
Phone: 0800 347 257
Email: complaints@fscl.org.nz

Full details of how to access FSCL can be found on their website www.fscl.org.nz.

FSCL will not charge you a fee to investigate or resolve a complaint.

