

Employee Retirement Plan

annual report

For the year ended 30 June 2023



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Overview



\$748.29

million
in net assets



\$85,784

average account
balance



3,791

members made
partial withdrawals



8,723

membership
at year end



5,407

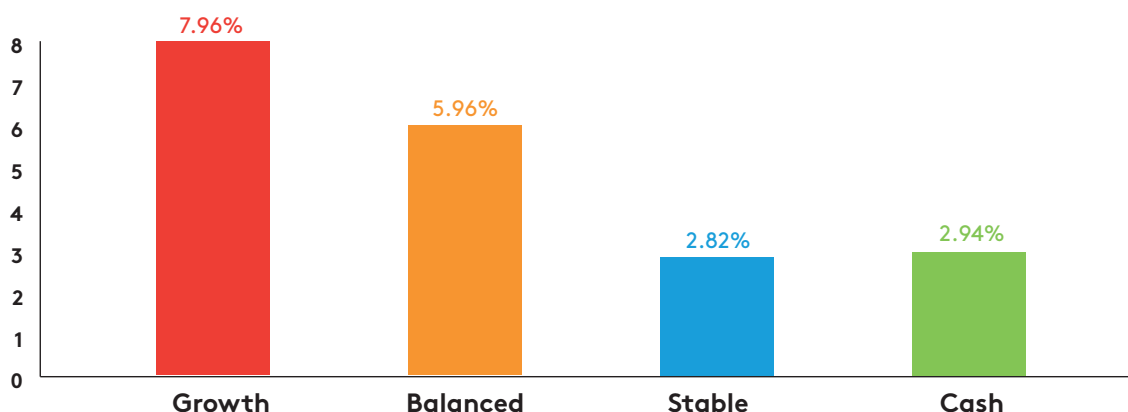
unique logins
during the year



2,991

calls to the Helpline

**Returns after fees and taxes for each investment option
for the year to 30 June 2023**



Visit page 2 for more information on investment option performance.

Trustee's Message

Welcome to the Employee Retirement Plan annual report for the year ended 30 June 2023.

The year ended 30 June 2023 saw record high inflation and consistent increases in interest rates across the globe. However, the returns for the Teachers Retirement Savings Scheme ('TRSS') Scheme year showed noticeable improvement, as global equity markets finished the year in positive territory.

Financial markets registered negative returns to close out the September 2022 quarter as recurring macroeconomic themes continued to rock the global economy throughout September. However, the December 2022 quarter showed early promise with a notable rally in developed market equities, emerging market debt and high yield bonds. Global equity markets experienced back-to-back monthly gains over October and November 2022 as inflation pressures showed signs of plateauing, albeit the positive momentum did not last into December.

The first quarter of 2023 started positively as capital markets experienced their strongest January gains in recent years. However, the strong early advances were slightly overturned in February as resilient economic data led many to reassess their expectations for both the peak in interest rates and the subsequent pace of rate cuts. In March 2023, the collapse of Silicon Valley Bank (SVB) and resulting concerns around the financial sector hit bank shares hard.

Global shares improved in the second quarter of 2023 with the advance led by developed markets, notably the US, while emerging market stocks lagged. Considering all factors, most major asset classes closed the first six months of 2023 in a remarkably good fashion. It is still too soon to predict how the market might turn out for the rest of 2023; financial markets did withstand volatile conditions, but the future remains uncertain.

As with any other superannuation scheme, our Scheme is not immune to the volatility in the investments market. The way markets fluctuate can be overwhelming, however, we encourage you not to panic, but rather, rely on professional financial advice. Seeking guidance from a financial adviser before making any changes to your investment options or your retirement savings strategy can be helpful, especially in uncertain times. You can read more about financial advice in the Scheme News section on page 3 of this annual report. There are also several online tools available at www.sorted.org.nz to help you plan your financial future.

I would like to thank Mercer and the Ministry of Education for their continued support towards the Scheme and their commitment to help our members have a financially secure retirement.

Our Scheme has been proudly helping teachers and principals across New Zealand save towards their retirement for over 20 years now. During the Scheme year, we assisted 4 members with successfully withdrawing their funds to purchase their first home. Congratulations to all of them on this milestone and to the 227 members who are now enjoying their retirement.

I would encourage you to take some time to read this annual report, as well as your member statement, as these documents provide information regarding the Scheme and your account. If you have any questions or feedback regarding the Scheme or its documents, please reach out to the Helpline on **0508 4 TEACH (0508 4 83224)** or email nztrsserp@mercerc.com.

On behalf of the Trustee, Public Trust



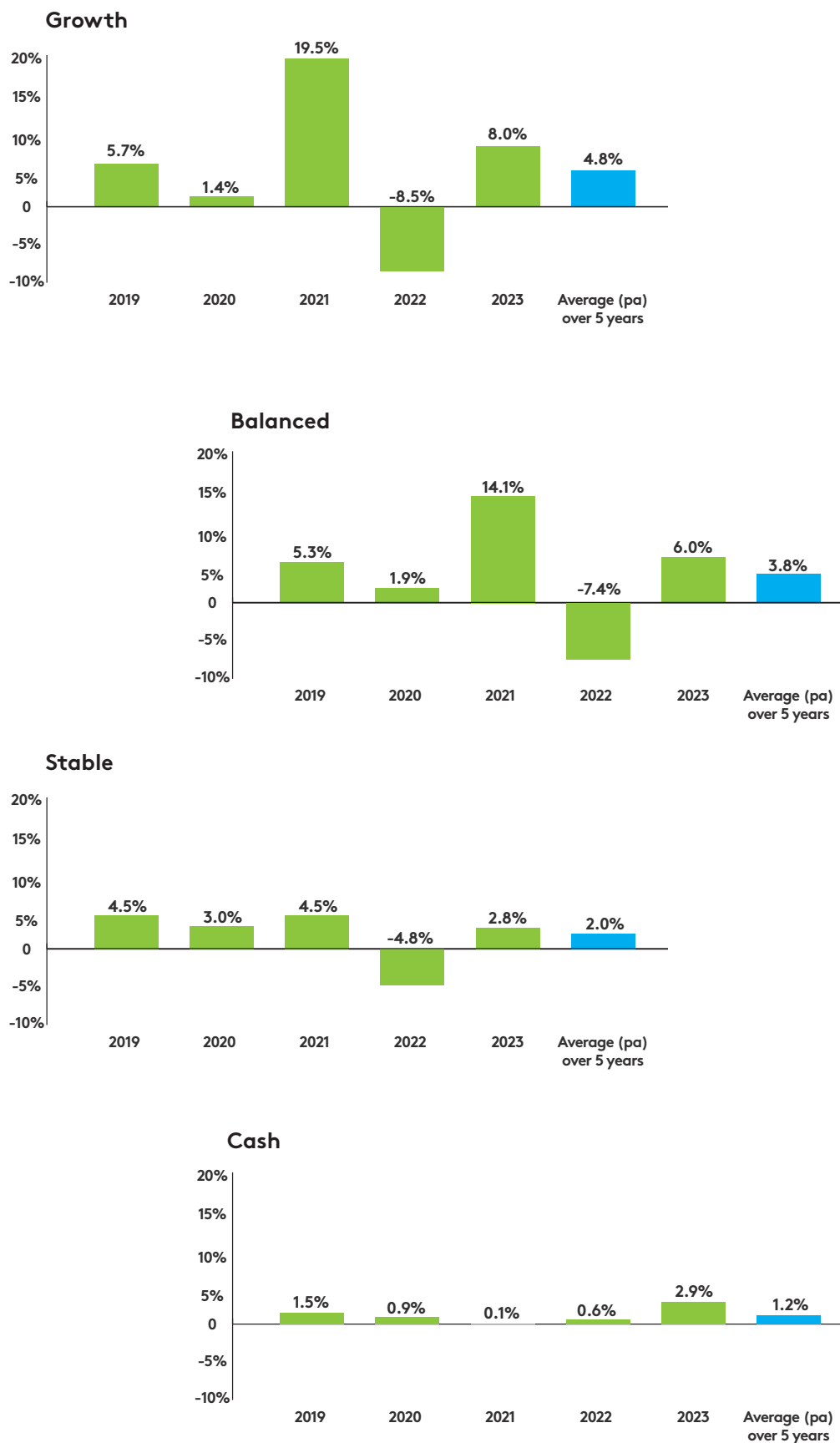
Garry Hughes
Head of Client Services (Wellington)

06 October 2023



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'.

Online investing platforms transform attitudes to investing

The Financial Markets Authority 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/news/all-releases/media-releases/online-platforms-transform-attitudes.

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 in to 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 for a description of the switching process (available on the 'Documents' page on the website). 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/consumer/getting-advice/finding-an-adviser 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.

New Zealand superannuation rates

Each year, the government reviews the rates of New Zealand Superannuation ('NZ Super'). The rates of NZ Super for the year ended 31 March 2023 are shown below.

		
\$30,090.84_{pa}*	\$27,686.36_{pa}*	\$45,738.16_{pa}*
Single person, living alone	Single person, sharing	Combined for a 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 2023. The Plan is a restricted workplace savings scheme for teachers and principals in state and state-integrated schools.

Public Trust (the 'Trustee') is the Scheme's Licensed Independent Trustee and Manager.

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

As at the Scheme's 30 June 2023 balance date, the most recent fund updates were dated 30 September 2022. Since then, fund updates dated 30 September 2023 for the year ended 30 June 2023 were made publicly available.

The Scheme's financial statements and auditor's report for the year ended 30 June 2023 were authorised for issue on 27 September 2023 and were lodged with the Registrar of Financial Service Providers on 28 September 2023.

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 Scheme membership over the year to 30 June 2023:

	Contributing members	Non-contributing members	Total number of members
Membership at 1 July 2022	6,180	2,915	9,095
<i>Less</i>			
Retirement			227
Death and total permanent disablement			14
Transfers out			6
<i>Other</i>			
- Leaving service withdrawals			113
- Retrenchment/redundancy			-
- Ill health			4
- Permanent emigration			7
- Financial hardship with Trustee consent			1
Total withdrawals			372
Membership at 30 June 2023	5,838	2,885	8,723

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

Members' accumulations	30 June 2022	30 June 2023
Total members' accumulations	\$725,984,565	\$748,295,639
Number of members	9,095	8,723
Contributions	Members	Total amount
Member contributions	6,303	\$14,082,809
Member voluntary contributions	1,919	\$5,564,318
Employer contributions	6,184	\$13,879,336
Total contributions		\$33,526,463

Changes relating to the scheme

Trust deed

There were no changes to the trust deed during the year.

Statement of Investment Policy and Objectives (SIPO)

No changes were made to the Scheme's SIPO during the year ended 30 June 2023.

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

Related party transactions

As at 30 June 2023, the Scheme holds no investments in the employer or any of its related parties. During the year, the Scheme received \$13,879,336 (2022: \$14,934,117) of employer contributions. Trustee fees of \$187,462 (2022: \$209,188) were paid to Public Trust.

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



Other information for particular types of managed funds

Withdrawals

Number of members

Full withdrawals	
Retirement	227
Leaving service/resignation/withdrawals	113
Retrenchments/redundancy	-
Transfer to another scheme	6
Death and total permanent disablement	14
Ill health	4
Permanent emigration	7
Financial hardship with Trustee consent	1
Total full withdrawals	372
Partial withdrawals	
Financial hardship/relationship property	19
First home withdrawals	4
In-service withdrawals	3,768
Total partial withdrawals	3,791

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

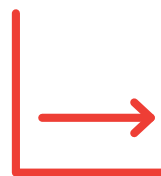
Year-end crediting rates - Scheme investment options



Growth
7.96%



Balanced
5.96%



Stable
2.82%



Cash
2.94%

Declared interest rates for the year to 30 June 2023

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

	Growth	Balanced	Stable	Cash
2022				
July	4.12%	3.42%	1.93%	0.14%
August	-1.35%	-1.26%	-0.98%	0.17%
September	-4.41%	-3.66%	-1.89%	0.16%
October	2.66%	1.97%	0.79%	0.21%
November	2.74%	2.25%	1.15%	0.21%
December	-2.63%	-2.00%	-0.81%	0.25%
2023				
January	3.82%	3.11%	1.53%	0.27%
February	-0.66%	-0.67%	-0.49%	0.25%
March	0.55%	0.66%	0.83%	0.30%
April	1.25%	1.03%	0.62%	0.25%
May	-0.32%	-0.33%	-0.22%	0.35%
June	2.26%	1.52%	0.35%	0.31%

Trustee's statement

As Trustee of the Scheme, the Trustee confirms that:

- all contributions required to be made to the Scheme in accordance with the terms of the trust deed have been made; and
- all benefits required to be paid from the Scheme in accordance with the terms of the trust deed have been paid; and
- the Scheme's net asset value at 30 June 2023 equalled the total value of vested benefits. These are the benefits that would have been payable on the basis that all members of the Scheme 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 2023.

On behalf of the Trustee, Public Trust



Garry Hughes
Head of Client Services (Wellington)

06 October 2023



Changes to persons involved in the scheme

Trustee

The Plan's Trustee and Manager is Public Trust. As at 30 June 2023, the Board members of the Trustee and Manager were:

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

Board member changes

As at 30 June 2023, the Trustee had the following Board member changes:

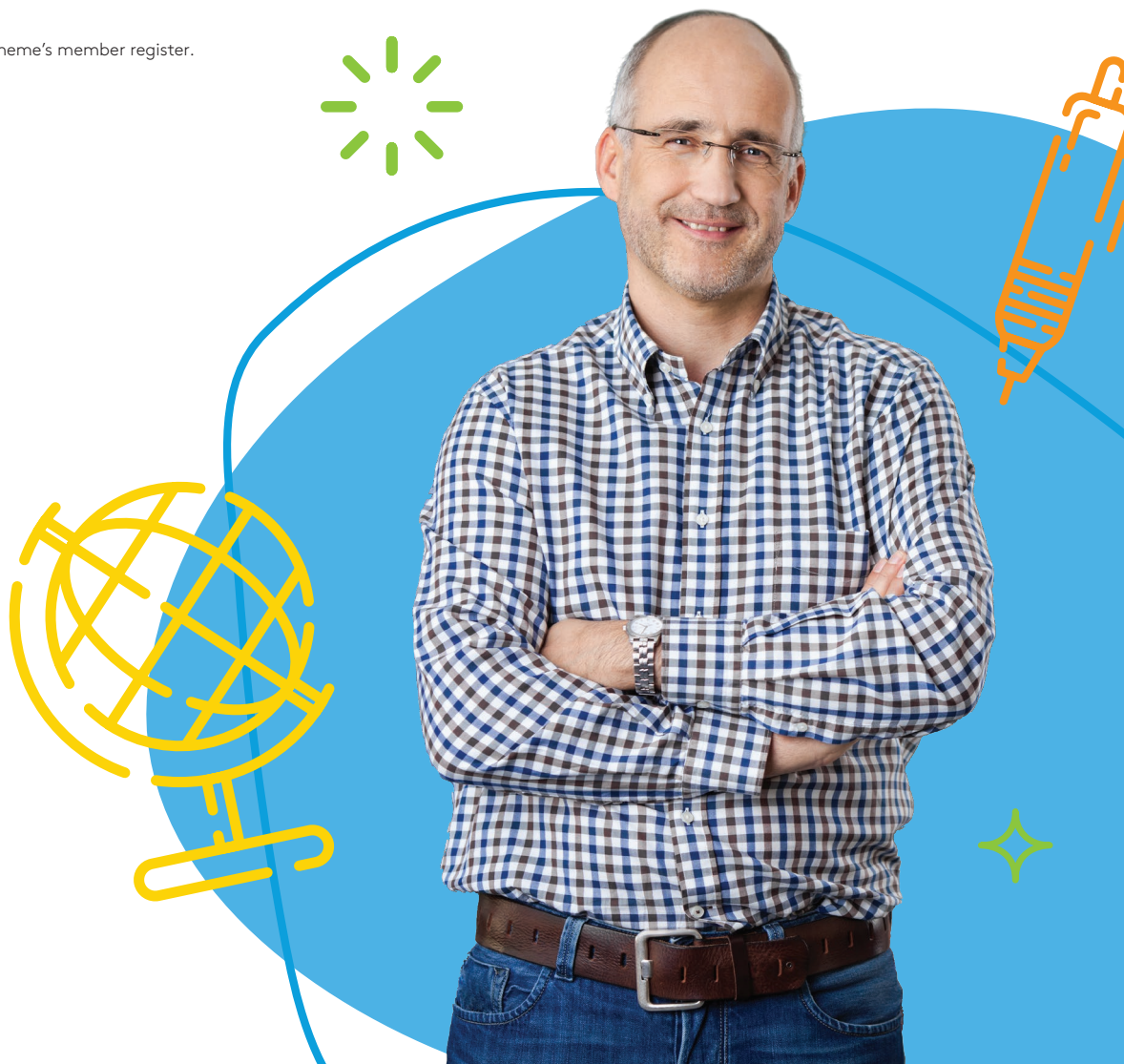
- Vicki Sykes completed her term as a Board member on 31 October 2022

Professional advisers

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

- **Auditor:** PwC
- **Administration Manager:** 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 Scheme's member register.



How to find further information

Further information relating to the Scheme, including financial statements, annual fund updates, the trust deed and SIPO, 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 Scheme 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: CTS.Enquiry@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@merceroz.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') – A Financial Ombudsman Service. 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.



Got questions?

www.teachersretire.org.nz
0508 4 TEACH (0508 4 83224)