Teachers Retirement Savings Scheme

Employee Retirement Plan

Annual Report

For the year ended 30 June 2025

Index

Overview

$810.85 million in net assets

$101,821 average account balance

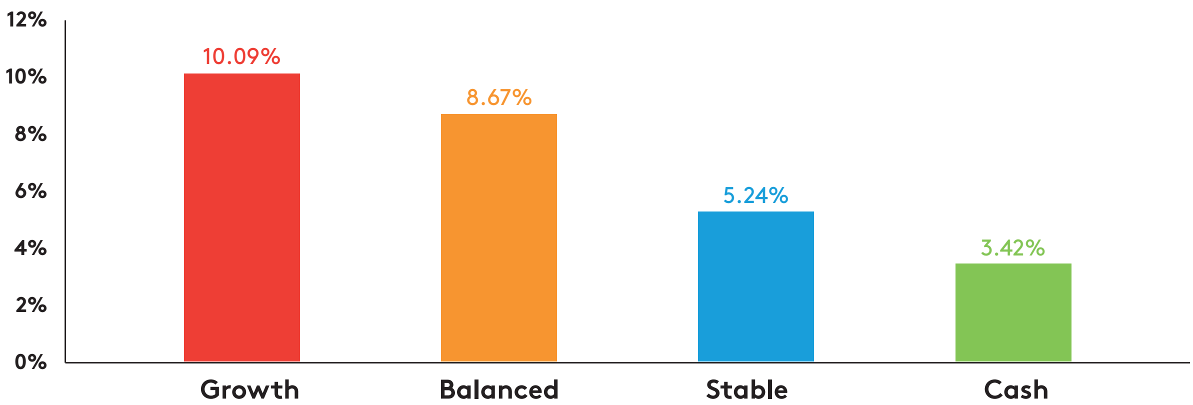
1,104 members made partial withdrawals

7,964 membership at year end

1,567 members on average logged in to the website per month

3,407 calls to the Helpline

Returns after fees and taxes for each investment option for the year to 30 June 2025



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 2025.

The year ended 30 June 2025 was volatile for global financial markets, driven by economic policies, geopolitical tensions and technological advances. While this volatility impacted the Scheme's returns and TRSS members, it is encouraging to see that overall performance for the year remained positive.

The MSCI World index rose 13.7% in local currency, reflecting a strong recovery after challenges in the U.S. equity market, especially large-cap growth stocks. The 'Magnificent seven' tech giants experienced a slowdown in growth as investor sentiment shifted from optimism to caution, influenced by President Trump's proposed tariffs and potential rate cuts. Artificial intelligence (AI) driven innovation remained a key trend, with companies using AI to boost productivity and attract investors.

Global and New Zealand fixed interest markets fluctuated due to changing interest rates and inflation. Since July 2024, the Reserve Bank of New Zealand has cut the official cash rate by 225 basis points, bringing it to 3.25% by May 2025. The global listed infrastructure sector showed robust growth, outperforming traditional equities, driven by investments in telecommunications and data centres. The surge in data centre investments, fuelled by AI and digital services, increased demand for power generation capacity and reliable grids, prompting infrastructure spending. The global listed property sector had mixed results: lower borrowing costs boosted real estate investment, but rising mortgage rates and economic concerns kept sentiment cautious.

Early 2025 saw increased uncertainty due to executive orders from the Trump administration, causing market volatility and a shift from growth to value and defensive sectors. However, from May onward, markets rebounded, mainly driven by the U.S. tech sector and easing trade tensions between U.S. and China.

As we look back on another positive year for the Scheme, we would like to highlight the importance of setting and maintaining long-term financial goals. While market fluctuations can be challenging, they are a natural part of investing, especially over long periods. Understanding that short-term market movements are normal can help you avoid reactive or impulsive decisions. With careful planning and the right financial advice, you can stay focused on achieving your future aspirations.

During the year, we introduced more options for members to verify their identity. You can now complete the process online using your mobile device by simply taking a photo of your identification documents and a selfie. If you require assistance with this new process, please reach out to our Helpline – see details below. You still have the option to send physical copies if you prefer. As part of this update, we have revised several Scheme forms and documents, which are available on the Documents page of the Scheme website.

We would also like to extend our heartfelt congratulations to the five members who have purchased their first homes - an incredible milestone - and to the 211 members who are now utilising their savings to support their retirement plans.

Your feedback is invaluable to us. We encourage you to share your thoughts and suggestions on our Scheme documents, including newsletters and the annual report, so we can continue to support your needs. Please reach out to our Helpline on **0508 4 TEACH (0508 4 83224)** or email **nztrsserp@mercer.com**.

Finally, we wish to extend our thanks to the Ministry of Education and Mercer. Your support is instrumental in helping us deliver a Scheme that meets the needs of our members.

On behalf of the Trustee, Public Trust

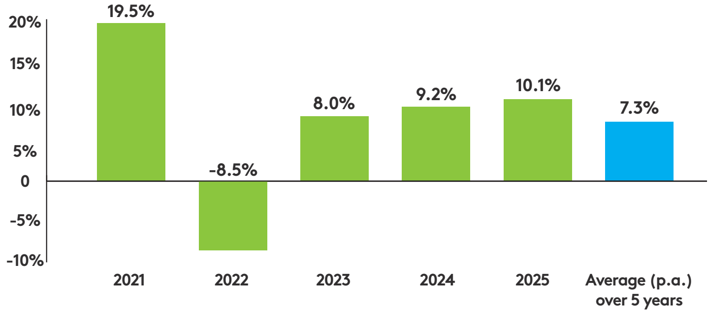
Marisa Tucker
Head of Client Services (Wellington)
15 October 2025

Public Trust

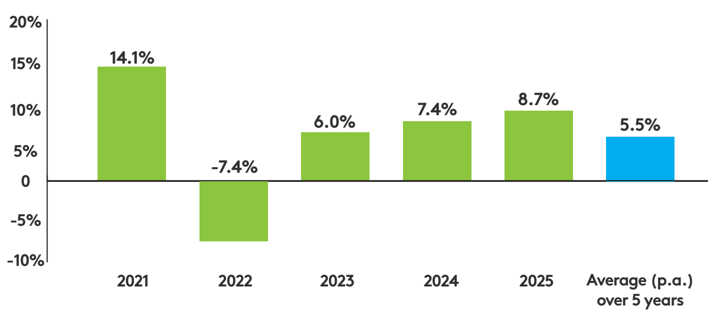
Investment Returns

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:

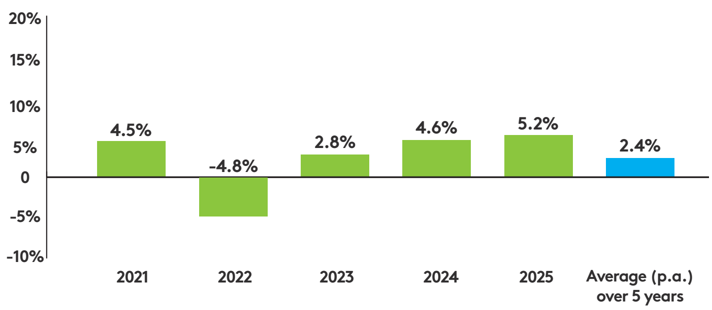
Growth



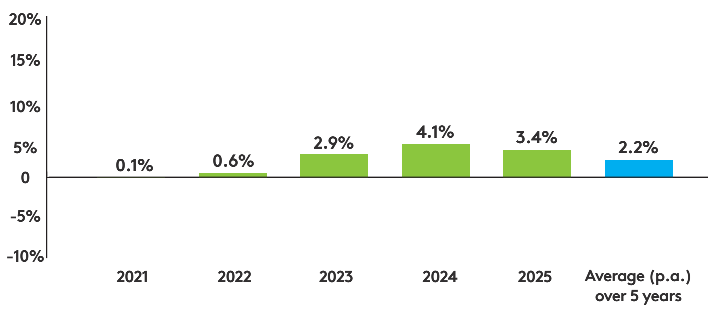
Balanced



Stable



Cash



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, 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**.

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 funds 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'.

Financial wellbeing resources

Financial wellbeing is the ability to meet your current and future financial needs. It involves developing healthy spending and savings habits, setting clear financial goals and taking practical steps to achieve them. The tools mentioned below will not only help you save money but also encourage positive changes in money management habits, assist with budgeting and help in long-term financial planning.

- **Budgeting tool**: Available on **sorted.org.nz**, this is a user-friendly tool that creates visual representations of income and expenditure, helping you to make informed financial decisions.
- **Getting advice**: The Financial Markets Authority ('FMA') website contains a wealth of information on financial advice and where to get it from.
- **Retirement calculator**: Another tool from **sorted.org.nz** that can help assess your financial situation to determine whether you are on track to achieve the retirement lifestyle that you want.
- **FSC Retirement Planning Guide**: You can access this guide from the Financial Services Council ('FSC') website. It is a comprehensive guide to successful retirement planning, which includes the New Zealand Society of Actuaries' rules of thumb, providing individuals with practical tips and strategies to enhance their financial security during retirement.
- **New Retirement Navigator Tool**: In 2025, **sorted.org.nz** has launched a new user-friendly tool called the Retirement Navigator. This online tool walks you through four simple 'rules of thumb' for drawing down your savings gradually over your retirement years and shows how your chosen approach could play out financially each year in terms of your potential retirement income. Designed primarily for those within 10 years of retirement - though anyone can benefit - the Retirement Navigator is a valuable resource to help you make informed decisions and plan confidently for your retirement.

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-term, medium-term and long-term needs.

We recommend you 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 FMA 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.fsp-register.companiesoffice.govt.nz**.

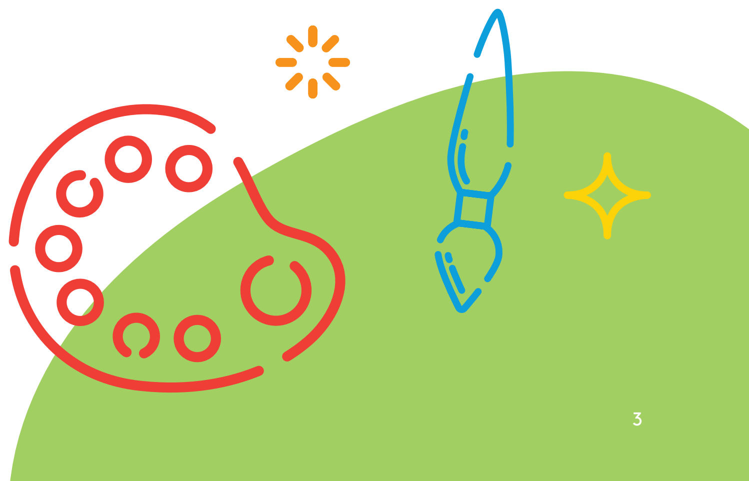
New Zealand Superannuation rates

From 1 April 2025, the Government changed the level of payments to be made to recipients of New Zealand Superannuation ('NZ Super'). The rates of NZ Super are shown below:

$32,611.28 p.a.*	$29,993.60 p.a.*	$49,552.88 p.a.*
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 for the year ended 30 June 2025. The Scheme 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 2025 balance date, the most recent fund updates were dated 30 September 2024. Since then, fund updates dated 30 September 2025 for the year ended 30 June 2025 were made publicly available.

The Scheme's financial statements and auditor's report for the year ended 30 June 2025 were authorised for issue on 9 October 2025 and were lodged with the Registrar of Financial Service Providers on 13 October 2025.

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 2025:

	Contributing members	Non-contributing members	Total number of members
Membership at 1 July 2024	**5,555**	**2,740**	**8,295**
Less			
Retirement			**211**
Death/total and permanent disablement			**11**
Transfers to other schemes			**23**
Other			
- Leaving service withdrawals			**72**
- Serious illness			**8**
- Permanent emigration			**6**
Total withdrawals			**331**
Membership at 30 June 2025	**5,219**	**2,745**	**7,964**

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 2024	30 June 2025
Total members' accumulations	$771,520,251	$810,850,767
Number of members	8,295	7,964

Contributions	Members	Total amount
Member contributions	5,723	$14,060,553
Member voluntary contributions	1,763	$5,763,359
Employer contributions	5,602	$13,808,524
Total contributions		**$33,632,436**

Changes relating to the scheme

Trust Deed

The Trust Deed was amended on 5 November 2024 to allow the Sponsor of a Charter School to join the Scheme if they agree to the Employer Agreement. This included adding a new Schedule 2, which outlines the participation deed template for Public Trust, the Ministry, and the Charter School sponsor. There were also some minor changes.

Statement of Investment Policy and Objectives ('SIPO')

The Scheme's SIPO was amended, effective 19 December 2024, to reflect new strategic asset allocations ('SAA') that were adopted for Stable, Balanced and Growth funds.

A copy of the SIPO is available on the Scheme's website at **www.teachersretire.org.nz** and the Schemes Register at **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 2025, the Scheme holds no investments in the employer or any of its related parties.

During the year, the Scheme received $13,808,524 (2024: $13,887,859) of employer contributions. Trustee fees of $203,537 (2024: $196,499) 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	211
Leaving service/resignation/withdrawals	72
Permanent emigration	6
Death/total and permanent disablement	11
Serious illness	8
Transfers to other schemes	23
Total full withdrawals	**331**
Partial withdrawals	
First home withdrawals	5
Financial hardship/relationship property	25
In-service withdrawals	1,074
Total partial withdrawals	**1,104**

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

Year-end crediting rates - Scheme investment options

Growth
10.09%

Balanced
8.67%

Stable
5.24%

Cash
3.42%

Declared interest rates for the year to 30 June 2025

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

	Growth	Balanced	Stable	Cash
2024				
July	2.85%	2.41%	1.44%	0.40%
August	-0.28%	0.05%	0.60%	0.33%
September	0.93%	0.82%	0.53%	0.34%
October	0.86%	0.42%	-0.26%	0.32%
November	2.90%	2.31%	1.10%	0.27%
December	-0.04%	-0.12%	-0.17%	0.28%
2025				
January	1.49%	1.18%	0.53%	0.27%
February	-0.48%	-0.14%	0.31%	0.23%
March	-2.86%	-2.13%	-0.78%	0.23%
April	-1.18%	-0.63%	0.26%	0.25%
May	3.65%	2.66%	0.75%	0.19%
June	2.01%	1.63%	0.82%	0.26%

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;
- 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 2025 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 2025.

On behalf of the Trustee, Public Trust

M. Tucker

Marisa Tucker
Head of Client Services (Wellington)

15 October 2025

Public Trust

Changes to persons involved in the scheme

Trustee

The Scheme Trustee and Manager is Public Trust. As at 30 June 2025, the Board members of the Trustee and Manager were:

- Dr Harley Aish
- Meleane Burgess
- Matthew Harker
- Anita Killeen
- Kevin Murphy
- Will Peat
- Karen Price

Board member changes

As at 30 June 2025, the Trustee had the following Board member changes:

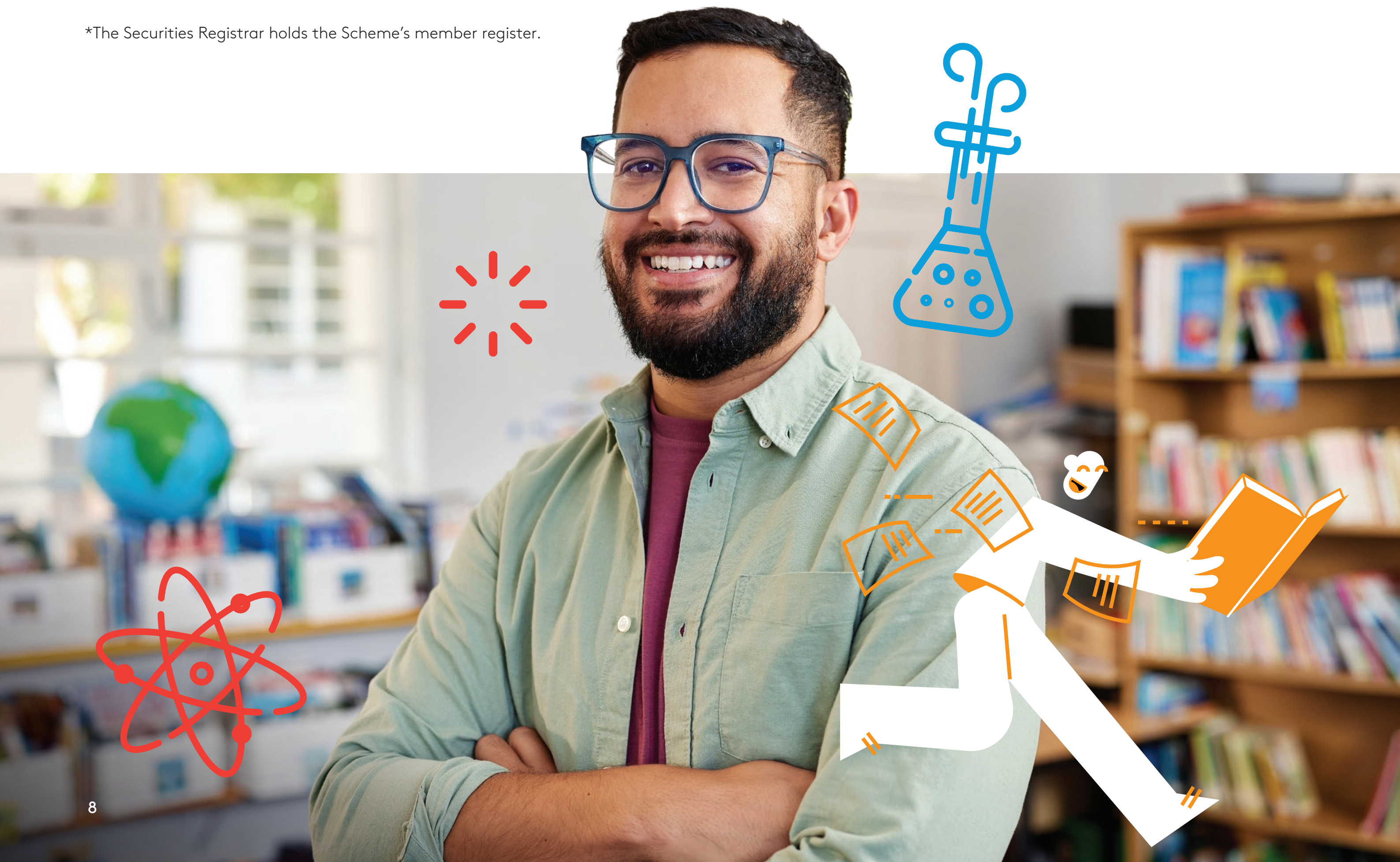
- Kirsty Campbell completed her term as a Board Member on 15 July 2024.
- Graham Naylor completed his term as a Board Member on 15 July 2024.
- John Duncan completed his term as a Board Member on 23 February 2025.
- Ian Fitzgerald ceased his appointment as Chair and completed his term as a Board Member on 31 March 2025.
- Dr Harley Aish was appointed to the Board on 15 July 2024.
- Karen Price was appointed to the Board on 15 July 2024 and was appointed Acting Chair from 1 April 2025.
- Anita Killeen was appointed to the Board on 19 July 2024.
- Matthew Harker was appointed to the Board on 19 July 2024.
- Will Peat was appointed to the Board on 1 June 2025.

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:

Marius Bornman
Mercer (N.Z.) Limited
PO Box 2897
Wellington 6140

Phone: 04 819 2675

Email: **marius.bornman@mercer.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 at **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)