Teachers Retirement Savings Scheme

Employee Retirement Plan

# ANNUAL REPORT

For the year ended 30 June 2026



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# Overview

**$886.53**
**million**
in net assets

**$115,810**
average account balance

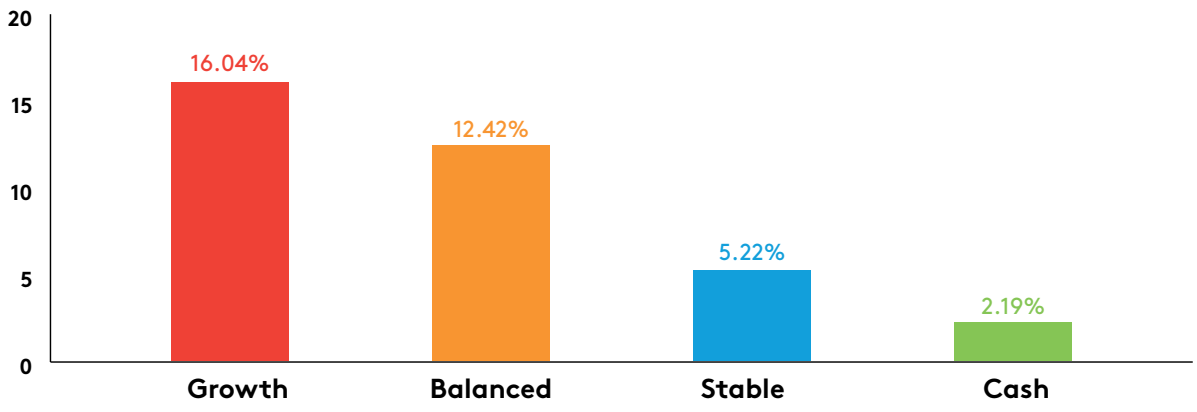
**1,079**
members made partial withdrawals

**7,655**
membership at year end

**1,634**
members on average logged in to the website per month

**2,938**
calls to the Helpline

**Returns after fees and taxes for each investment option for the year to 30 June 2026**




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 2026.

We are pleased to report that all asset classes delivered positive returns over the financial year ended 30 June 2026. The strongest returns by far came from global developed and emerging market equities, which rose more than 20% and 50% respectively. This helped the Balanced and Growth Funds – which together account for over 80% of the Plan's assets – deliver returns of 12.4% and 16.0%, respectively, after fees and tax.

These results were achieved despite a year of considerable market volatility. Much of the year was marked by significant investment in artificial intelligence (AI), with technology companies leading global equity markets to strong gains. However, the U.S. and Israeli invasion of Iran at the end of February threatened to derail the positive momentum in markets prior to the conflict. Until then, optimism around AI and a shift toward easing monetary policy across many of the world's central banks had led to strong equity returns. The Middle East conflict disrupted nearly 20% of global oil supply through the Strait of Hormuz, sparking the largest energy supply shock on record. This drove up oil prices and turned the global economic environment inflationary, triggering negative returns from both equities and bonds. However, a strong rebound in the June quarter, supported by positive earnings announcements from key technology giants and signs of a resolution to the ongoing conflict, helped the year finish on a strong note.

New Zealand's equity and bond markets were largely spectators to events offshore, delivering modest positive returns. With inflation continuing to moderate and the economy poised for recovery, the conflict in the Middle East has extended the recovery timeline and may lead the Reserve Bank of New Zealand to raise interest rates earlier than had been expected before the conflict began.

Periods of market volatility are an inevitable part of long-term investing. While short-term market movements are unpredictable and cannot be avoided entirely, retirement savings are built over decades and members are generally best served by keeping focus on long-term goals. Before making decisions about your financial future, we encourage you to seek advice from a qualified financial adviser. More information is available here: **www.fma.govt.nz/consumer/getting-advice/finding-an-adviser/**.

On 1 October 2026, Mercer (N.Z.) Limited exited its superannuation administration business in New Zealand. To support the continued smooth operation of the Teachers Retirement Savings Scheme (Scheme), Mercer entered into a subcontracting arrangement with Apex Investment Administration (NZ) Limited, which now manages the day-to-day administration of member accounts, including processing contributions, updating member details and providing Helpline support.

This change followed several months of planning and engagement with Mercer to help ensure a well-managed transition, with continuity of service and the member experience as key priorities. Mercer's administration and Helpline teams moved to Apex Investment Administration (NZ) Limited on 1 October 2026, so your account continues to be supported by the same experienced people who know the Scheme and understand your needs. Mercer's provision of other services to the Scheme remains unchanged.

Earlier this year, changes to KiwiSaver contribution rates took effect, including an increase in the minimum employee and employer contribution rates from 3% to 3.5% from 1 April 2026, with a further increase to 4% scheduled for 1 April 2028. While these changes did not alter contribution rates for most subsidised Scheme members, they reflect a broader policy focus on supporting improved retirement savings outcomes for New Zealanders. There were a small number of members whose employer contributions are now directed to KiwiSaver rather than the Scheme as a result of the contribution changes. Those affected have been contacted and we encourage anyone who is unsure about what these changes mean for them to seek guidance.

We are also pleased to congratulate our six members who have taken an important step towards financial security by purchasing their first home. For many, home ownership is a major milestone, and it is rewarding to see the Scheme support members in achieving this goal.

As part of our ongoing efforts to improve efficiency and reduce costs, we encourage members who currently receive Scheme communications by post to consider switching to email delivery. Email delivery is faster, more convenient and more environmentally responsible. It also enables access to your member online account, where you can view your account balance, retirement benefits and current investment choice at any time.

Finally, we would like to thank the Ministry of Education and Mercer for their support and contribution throughout the year. Their expertise and commitment have been invaluable in helping the Trustee fulfil its responsibilities and serve the best interests of members.

For any feedback or suggestions regarding Scheme documents, including newsletters and the annual report, please reach out to our Helpline on **0508 4 TEACH (0508 4 83224)** or email **nztrsserp@mercer.com**.

On behalf of the Trustee, Public Trust

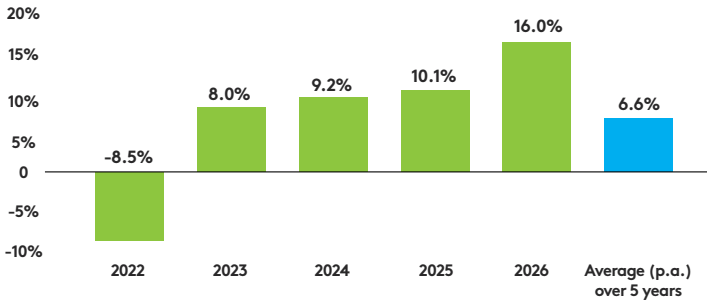
**Marisa Tucker**
**Head of Client Services (Wellington)**
30 October 2026

Public Trust

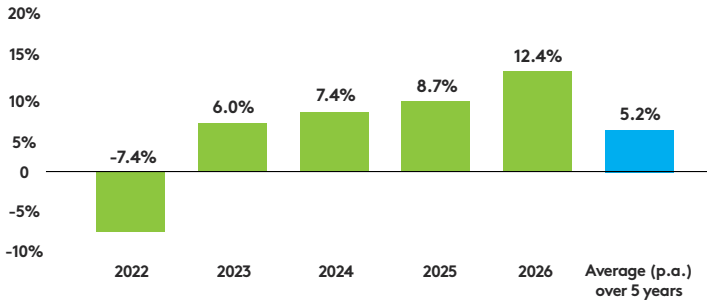
# Investment Returns

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:

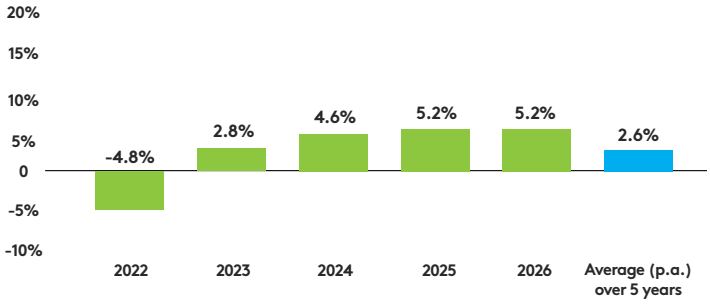
**Growth**



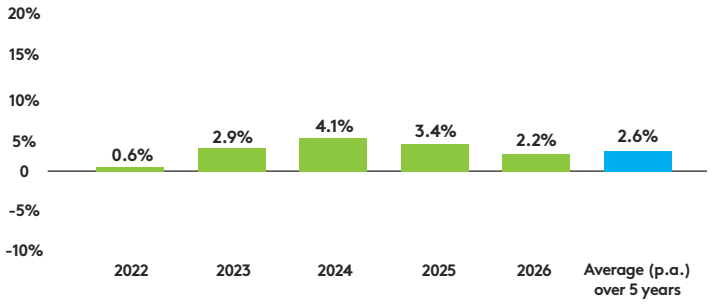

**Balanced**




**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. We encourage you to read the Scheme Member Booklet for details about the process of switching your investment fund. The Member Booklet is available on the Documents page of 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.

# 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.
- **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.
- **Retirement Navigator Tool**: Another user-friendly tool available on **sorted.org.nz**, this 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 2026, 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:



**$33,663.24**p.a.*
Single person, living alone



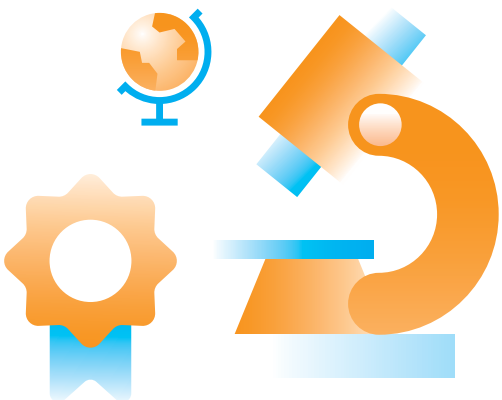
**$30,969.64**p.a.*
Single person, sharing



**$51,182.56**p.a.*
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 2026. 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 2026 balance date, the most recent fund updates were dated 30 September 2025. Since then, fund updates dated 30 September 2026 for the year ended 30 June 2026 were made publicly available.

The Scheme's financial statements and auditor's report for the year ended 30 June 2026 were authorised for issue on 28 October 2026 and were lodged with the Registrar of Financial Service Providers on 29 October 2026.

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 2026:

| | Contributing members | Non-contributing members | Total number of members |
|---|---|---|---|
| **Membership at 1 July 2025** | **5,219** | **2,745** | **7,964** |
| *Less* | | | |
| Retirement | | | **197** |
| Death/total and permanent disablement | | | **13** |
| Transfers to other schemes | | | **26** |
| *Other* | | | |
| - Leaving service withdrawals | | | **66** |
| - Serious illness | | | **5** |
| - Permanent emigration | | | **2** |
| **Total withdrawals** | | | **309** |
| **Membership at 30 June 2026** | **4,878** | **2,777** | **7,655** |

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 2025 | 30 June 2026 |
|---|---|---|
| Total members' accumulations | $810,850,767 | $886,529,965 |
| Number of members | 7,964 | 7,655 |

| Contributions | Members | Total amount |
|---|---|---|
| Member contributions | 5,309 | $13,418,937 |
| Member voluntary contributions | 1,681 | $5,692,328 |
| Employer contributions | 5,187 | $13,146,575 |
| **Total contributions** | | **$32,257,840** |

# Changes relating to the scheme

## Trust Deed

There were no changes to the Trust Deed during the Scheme year.

## Employer Agreement

The Employer Agreement was amended on 18 February 2026 to revise the definition of "Salary" so that specified Holidays Act remediation payments and associated gross-up amounts are excluded from superable salary. The amendment was proposed in response to payroll system limitations that made it impracticable to apply the appropriate contribution treatment to individual remediation payments. As a result, the remediation payments can be made without triggering corresponding member or employer superannuation contributions.

## Member Booklet

The Member Booklet was updated on 24 April 2026 to better reflect the provisions of the Employer Agreement. In particular, following identification of an issue, updates were made to the first home withdrawal provisions to clarify that, where eligible a member may withdraw all or part of their Total Credit which includes employer contribution balances. It has been identified that some first home withdrawals may have incorrectly excluded withdrawal of employer contribution balances and the Trustee is undertaking a further review of this matter, including any impact on affected withdrawals and any actions that may be required. Based on the information currently available, the Trustee has not identified any material impact from the first-home withdrawal matter on the Scheme's financial statements for the year ended 30 June 2026.

## Statement of Investment Policy and Objectives ('SIPO')

The Scheme's SIPO was amended, effective 18 February 2026, to reflect the inclusion of Private Debt as an asset class and other minor updates.

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 2026, the Scheme holds no investments in the employer or any of its related parties.

During the year, the Scheme received $13,146,575 (2025: $13,808,524) of employer contributions. Trustee fees of $216,898 (2025: $203,537) 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 | 197 |
| Leaving service/resignation/withdrawals | 66 |
| Permanent emigration | 2 |
| Death/total and permanent disablement | 13 |
| Serious illness | 5 |
| Transfers to other schemes | 26 |
| **Total full withdrawals** | **309** |
| **Partial withdrawals** | |
| First home withdrawals | 6 |
| Financial hardship/relationship property | 15 |
| In-service withdrawals | 1,058 |
| **Total partial withdrawals** | **1,079** |

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

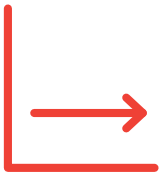
## Year-end crediting rates - Scheme investment options



**Growth**
16.04%



**Balanced**
12.42%



**Stable**
5.22%



**Cash**
2.19%

## Declared interest rates for the year to 30 June 2026

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

| | Growth | Balanced | Stable | Cash |
|---|---|---|---|---|
| **2025** | | | | |
| **July** | 1.69% | 1.29% | 0.50% | 0.20% |
| **August** | 1.53% | 1.30% | 0.81% | 0.21% |
| **September** | 3.15% | 2.46% | 1.17% | 0.21% |
| **October** | 2.13% | 1.69% | 0.83% | 0.19% |
| **November** | -0.19% | -0.17% | -0.17% | 0.15% |
| **December** | 0.29% | 0.19% | -0.08% | 0.15% |
| **2026** | | | | |
| **January** | -0.29% | -0.18% | -0.12% | 0.14% |
| **February** | 1.55% | 1.30% | 0.89% | 0.14% |
| **March** | -3.85% | -3.15% | -1.76% | 0.35% |
| **April** | 4.34% | 3.30% | 1.14% | 0.13% |
| **May** | 2.78% | 2.23% | 1.07% | 0.15% |
| **June** | 2.09% | 1.66% | 0.85% | 0.15% |

## 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;
- except in relation to first home withdrawals, an issue which is currently being investigated, 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 2026 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 2026.

On behalf of the Trustee, Public Trust

**Marisa Tucker**
**Head of Client Services (Wellington)**

30 October 2026

Public Trust



# Changes to persons involved in the scheme

## Trustee

The Scheme Trustee and Manager is Public Trust. As at 30 June 2026, the Board members of the Trustee and Manager were:

- Karen Price (Chair)
- Dr Harley Aish
- Meleane Burgess
- Matthew Harker
- Anita Killeen
- Kevin Murphy
- Will Peet

## Board member changes

There were no Board member changes during the year ended 30 June 2026.

## 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

*From 1 October 2026, subcontracted to Apex Investment Administration (NZ) Limited.
**The Securities Registrar holds the Scheme's member register.
***Until 30 September 2026, Mercer (N.Z.) Limited; from 1 October 2026, Apex Investment Administration (NZ) Limited.



# How to find further information

Further information relating to the Scheme, including financial statements, annual fund updates, the Trust Deed, Employer Agreement 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**

**Securities Registrar**
Apex Investment Administration (NZ) Limited*
PO Box 2897
Wellington 6140

Phone: 04 819 2675

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

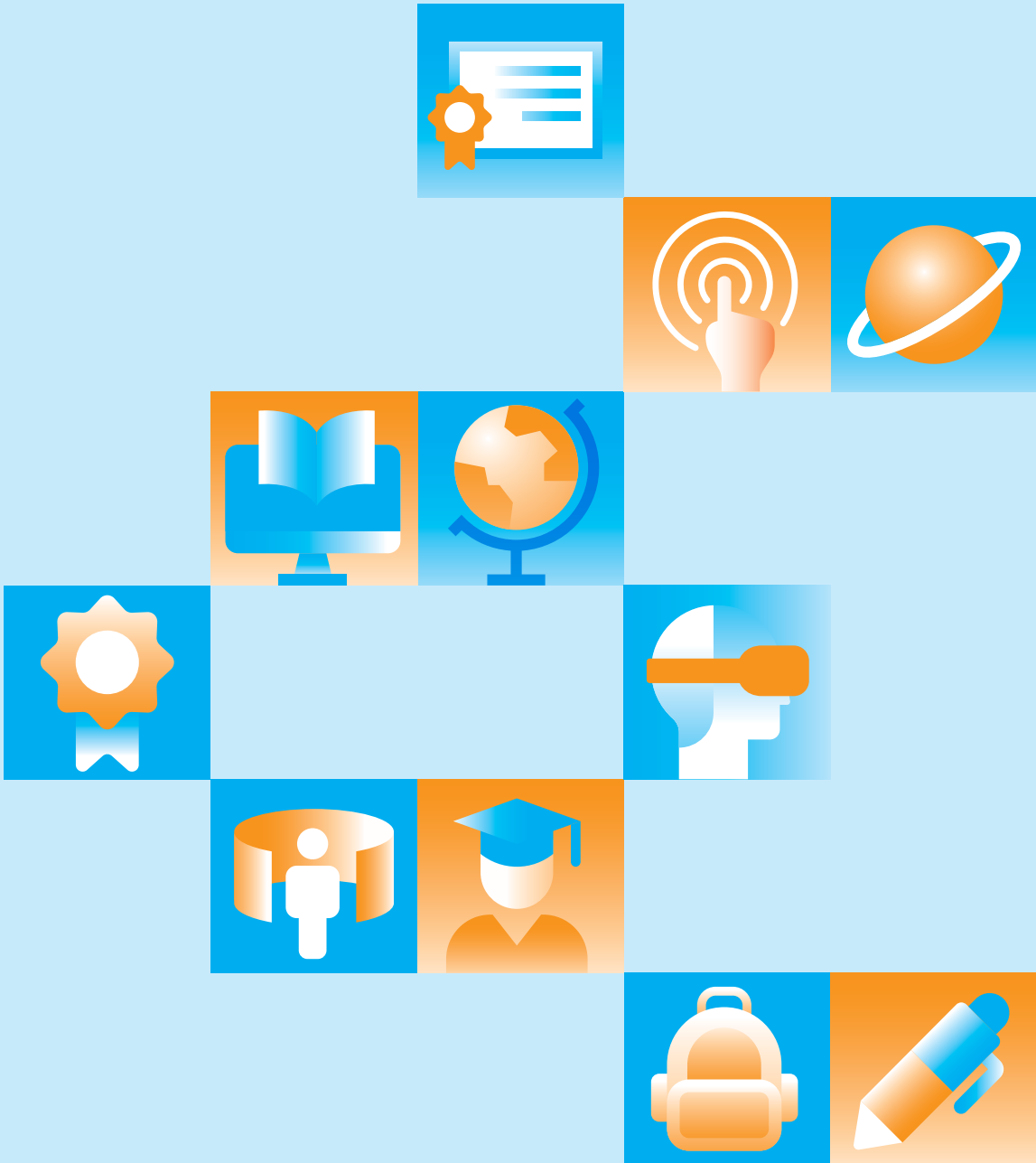
Phone: 0800 347 257

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.

*From 1 October 2026, the Securities Registrar changed from Mercer (N.Z.) Limited to Apex Investment Administration (NZ) Limited



## Got questions?

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