

**ANNUAL REPORT TO MEMBERS**

**for the**

**MARITIME RETIREMENT SCHEME**

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**Year ended 31 March 2020**

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## Chairman's Report

I am pleased to present the fourth annual report of the Maritime Retirement Scheme (MRS).

### Fund Size and Membership

During the year the size of the Fund, excluding the Maritime KiwiSaver Scheme, decreased from \$190M to \$181M including \$109M in member accounts. The number of active members decreased from 1,220 to 1,138 including 797 waterside workers and 341 seafarers, and the number of deferred beneficiaries increased from 179 to 282. At year end, the Fund also had 3 pensioners and 8 other members, eg, matrimonial property members.

### Fund Management and Administration

The Fund continues to be well managed by our Fund Administrator, Melville Jessup Weaver.

Funds are invested in managed funds whose performance is closely monitored with the Trustees meeting with most of the investment managers at the quarterly meetings of Trustees. No changes of investment managers were made during the year although some minor changes were made to the portfolio asset allocations and hence to the funds invested with each manager.

Administration costs during the year amounted to \$551,637 or 0.28% of funds and investment management fees amounted to 0.59% of the funds in the Balanced Portfolio and 0.46% of the funds in the Conservative Portfolio. Overall, administration costs and investment management fees amounted to 0.86% and 0.73% of the Balanced and Conservative Portfolios respectively. These overall costs compare favourably with the typical costs for KiwiSaver schemes which are generally in the range of 1.00% to 1.20% for balanced portfolios.

### Performance

Investment markets were positive for much of the year but plummeted through February 2020 and much of March 2020 in reaction to COVID-19 and the widespread economic shutdowns. The final six weeks of the year impacted returns significantly such that the Balanced and Conservative Portfolios delivered returns before tax but after all expenses of -4.0% and -0.0% respectively and returns after tax (at 28%) and after all expenses of -3.9% and -0.7% respectively.

It is pleasing to report that since 31 March 2020 there has been a significant pickup in the investment markets which is reflected in the returns for the three months to 30 June 2020 before administration costs but after investment expenses and tax (at 28%) of +9.4% for the Balanced Portfolio and +5.1% for the Conservative Portfolio.

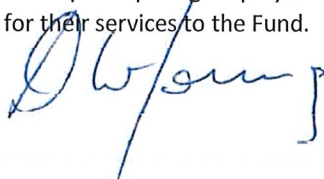
### Governance

This year has seen a number of changes to the Board of Trustees that governs the Fund. One of the Union appointed trustees, Gary Horan, stepped down and was replaced by Jimmy King of Wellington. The trustees appointed Clive Glover of Strait Shipping to replace David Scott. Since the end of the financial year Clive has stepped down and the trustees have appointed Brodie Stevens of Swire Shipping as his replacement. The trustees have also appointed Walter Rushbrook of KiwiRail in place of Mark Thompson.

### Appreciation

The Trustees thank members and participating employers for their continuing support, and our Administrator and various fund managers for their services to the Fund.

David Young, Chairman



## Details of Scheme

The scheme name is the Maritime Retirement Scheme (the “Scheme”). The Scheme is registered as a restricted workplace savings scheme.

The manager is the Board of Trustees named on page 6. The product disclosure statement for the Scheme is dated 19 May 2020 and is open for applications. Fund Updates for the Conservative Portfolio and Balanced Portfolio were made publicly available on 8 July 2020 for the year ended 31 March 2020.

The financial statements of the Scheme as at 31 March 2020, and the auditor’s report on those financial statements have been lodged with the Registrar and are available electronically by visiting [companiesoffice.govt.nz/disclose](https://companiesoffice.govt.nz/disclose), selecting search schemes and entering the Scheme name.

## Information on Contributions and Scheme Participants

### Total Members

Members	31 March 2020	31 March 2019
Contributing members	1,138	1,220
Non-contributing members	293	201
<b>Total members</b>	<b>1,431</b>	<b>1,421</b>

### New Members

New Members for Year Ended 31 March 2020	
Transfers from other schemes	0
Other new members	<b>116</b>
<b>Total new members</b>	<b>116</b>

### Member Exits

Member Exits for Year Ended 31 March 2020	
Retirement	29
Death	9
Transfers to other schemes	4
Ill health	1
Other reasons - redundancy	0
Other reasons - withdrawal	63
<b>Total member exits</b>	<b>106</b>

## Members' Accumulations

Members' accumulations	31 March 2020	31 March 2019
Total account balances	\$180,911,811	\$190,367,116
Number of members with accounts	1,431	1,421
<b>Total members</b>	<b>1,431</b>	<b>1,421</b>

## Total Contributions

Contribution Type	Total for Year Ended 31 March 2020	Number of Members to Whom Contributions Relate
Member contributions	6,200,913	1,160
Employer contributions*	4,308,625	1,151
<b>Total contributions</b>	<b>\$10,509,537</b>	

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

## Changes Relating to the Scheme

During the year ended 31 March 2020, the Scheme continues as a restricted workplace savings scheme registered under the Financial Markets Conducts Act (FMCA).

There were no changes to the Maritime Retirement Scheme Trust Deed during the year ended 31 March 2020.

There were no changes to the Statement of Investment Policy and Objectives (SIPO) during the year ended 31 March 2020.

No transactions providing for related party benefits (as contemplated by section 172(1) of the FMCA) to be given from the Scheme were entered into during the year ended 31 March 2020 on anything other than arm's-length terms.

## Other Information

During the year, 256 Scheme 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
<b>Full withdrawals</b>	<b>77</b>
Leaving service	64
Transfer	4
Death	9
<b>Partial withdrawals</b>	<b>179</b>
Contributing members	39
Non-contributing members	106
1 <sup>st</sup> home withdrawals	7
Financial Hardship	27

The following table shows the monthly crediting rates (after tax at the highest PIR and an allowance for general expenses) applied to members' accounts during the year:

Month	Crediting rate applied	
	Balanced Portfolio	Conservative Portfolio
April 2019	2.30807%	0.66643%
May 2019	-1.48774%	0.00686%
June 2019	2.74090%	1.51884%
July 2019	1.28434%	0.56018%
August 2019	0.45676%	1.02654%
September 2019	0.72497%	-0.13325%
October 2019	0.32341%	0.09798%
November 2019	1.81940%	0.44888%
December 2019	0.08214%	0.40576%
January 2020	1.14696%	0.70905%
February 2020	-3.70570%	-1.17548%
March 2020	-8.83407%	-4.37697%

The Trustees confirm that for the year ended 31 March 2020 all contributions required to be made to the Scheme in accordance with the terms of the trust deed were made.

The Trustees confirm that:

1. All the benefits required to be paid from the Scheme in accordance with the terms of the trust deed and the superannuation scheme rules have been paid.
2. The market value of the property of the Scheme as at 31 March 2020 equalled the total value of benefits that would have been payable had 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 that date.

## Changes to Persons Involved in the Scheme

The following persons served as Trustees during the year:

- David Young (Chairman)
- Simon Brodie (Licensed Independent Trustee)
- Joe Fleetwood
- David Scott – resigned June 2019
- Ray Welson
- Deepthi Swarnapuri
- Ray Fife
- Gary Horan – resigned December 2019
- Russell Mayn
- Mark Thompson – resigned December 2019
- Jimmy King – appointed February 2020 – replaced Gary Horan
- Clive Glover – appointed August 2019 – replaced David Scott
- Walter Rushbrooke – appointed February 2020 – replaced Mark Thompson

There were no other changes during the year to the Trustees or other investment managers.

There were no changes during the year to the custodian, the administration manager, the securities registrar or the auditor of the Scheme.

There were no changes in the control of the Trustees during the year ended 31 March 2020.

## How to Find Further Information

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

- copies of the trust deed, the Scheme's latest audited financial statements, the SIPO and the annual report (select *search schemes* and enter the Scheme name); and
- copies of the PDS, the annual fund updates and other material information relating to the Scheme (select *search offers* and enter the Scheme name).

Copies of the SIPO, the PDS, the latest annual report and the latest fund updates (as well as other information about the Scheme) are also available on the Scheme's website [maritimeretirementscheme.nz](http://maritimeretirementscheme.nz).

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

Maritime Retirement Scheme  
Melville Jessup Weaver  
Level 7, 20 Ballance Street  
PO Box 1096  
Wellington 6140

## Contact Details and Complaints

You can contact the Trustees via the Administration Manager at:

Maritime Retirement Scheme  
Melville Jessup Weaver  
Level 7, 20 Ballance Street  
PO Box 1096, Wellington 6140

Phone: 0800 947 357

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

Any queries or complaints about the Scheme can be made by contacting the Trustees at the above address.

The Trustees have 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 Scheme 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 Scheme's external disputes resolution service, Financial Services Complaints Limited ("FSCL"). FSCL's contact details are:

Website:	<a href="http://www.fscl.org.nz">www.fscl.org.nz</a>
Email:	<a href="mailto:info@fscl.org.nz">info@fscl.org.nz</a>
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.

## FINANCIAL INFORMATION

The following tables contain information extracted from the full financial statements which were audited and signed on 30 July 2020.

### Investment performance

	31 March 2020	31 March 2019
Interest	0	\$1,265
Distributions	3,195,195	\$3,029,170
Gains on assets	(8,115,510)	\$8,913,427
Total investment revenue	(4,920,315)	\$11,943,862

### Expenses

	31 March 2020	31 March 2019
Investment expenses	817,060	\$776,592
General expenses	551,637	\$620,805

### Membership activities

	31 March 2020	31 March 2019
Member contributions	6,200,913	\$5,732,569
Employer contributions	4,308,625	\$4,143,562
Transfers In		\$41,310
KiwiSaver contributions	1,582,903	\$1,387,526
Withdrawals	15,675,122	\$22,666,949



**Assets**

	31 March 2020	31 March 2019
Cash	\$37,164	\$73,444
Total investments	\$192,783,380	\$204,713,712
Receivables	\$11,571	\$11,571
Deferred Tax Asset	\$173,550	37,948
Payables	(\$106,900)	(\$623,300)
Tax receivable / (payable)	\$964,269	(\$488,730)

**Member accounts**

	31 March 2020	31 March 2019
Member accounts	117,499,367	\$120,403,342
Employer accounts	68,971,770	\$75,338,775
Death Benefit 'A' Reserve	5,055,472	\$5,621,282
Death Benefit 'B' Reserve	2,159,799	\$2,311,872
Pension Reserve	34,650	\$39,351
Income Reserve	141,974	\$10,022

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

Melville Jessup Weaver:

Freephone 0800 947 357

Email [maritime@mjlw.co.nz](mailto:maritime@mjlw.co.nz)