

**ANNUAL REPORT TO MEMBERS**

**for the**

**MARITIME RETIREMENT SCHEME**

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**Year ended 31 March 2023**

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# Chairman's Report

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

## Fund Size and Membership

During the year the Fund decreased in size from \$222.8M to \$207.7M, comprising \$183.2M in MRS member and employer accounts, \$16.7M of MKS funds invested with MRS, and \$7.8M in the death benefit reserve accounts. Of these funds (invested in member and employer accounts), 80% is invested in the balanced portfolio, 19% in the conservative portfolio and 1% in the new growth portfolio.

It is pleasing to report that, during the year, the overall membership of the MRS increased from 1,473 to 1,505. Membership of the Waterfront Section increased from 841 to 874 members and membership of the Seafarers Section increased from 333 to 341. The number of deferred members reduced from 294 to 286.

## Performance

All the Fund's portfolios incurred small losses with the growth portfolio delivering a return of -2.83%, the balanced portfolio delivering a return of -2.83% and the conservative portfolio delivering a return of -2.23%, net of all fees and tax (at 28%).

During the last five years, the average returns of the balanced and conservative portfolios, again net of fees and tax (at 28%) have been 5.09% and 1.69% respectively. These returns compare with the Fund's projected returns going forward of 3.4% and 1.6% for the balanced and conservative portfolios respectively. The growth portfolio has only been in existence since 1 October 2021, so we do not yet have an average return over five years to compare to the projected return for the growth portfolio of 4.2%.

## Fund Management and Administration

The funds of the MRS continue to be invested in managed funds whose performance is closely monitored by the Trustees. The only change to fund management during the year was a switch of a portion of the Fund's allocation to global equities from the ANZ Northern Trust Fund to the Mercer Passive Fund.

The Fund continues to be well managed by the Administrator, Melville, Jessup Weaver (MJW).

Administration and fund management fees have continued to decline in line with industry trends. The expenses ratios are currently 0.74% for the growth portfolio, 0.69% for the balanced portfolio and 0.61% for the conservative portfolio. These expense ratios compare favourably with expense ratios of most KiwiSaver schemes which are typically in the range of 1.1% to 1.4%.

## Appreciation

The Trustees thank members and participating employers for their continuing support, and the Fund's Administrator (MJW), and other service providers and fund managers for their continuing services to the Fund.

**David Young**  
Chairman

## Details of Scheme

The scheme's 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 (PDS) for the Scheme is dated 7 November 2022 and the Scheme is open for applications. Fund Updates for the growth, balanced and conservative portfolios were made publicly available on 28 June 2023 for the year ended 31 March 2023.

The financial statements for the year ended 31 March 2023, and the auditor's report on those financial statements have been lodged with the Registrar and are available electronically by visiting <https://disclose-register.companiesoffice.govt.nz/>, selecting search schemes and entering the Scheme name.

## Information on Contributions and Scheme Participants

### Total Members

Members	31 March 2023	31 March 2022
Contributing members	1,219	1,174
Non-contributing members	286	299
<b>Total members</b>	<b>1,505</b>	<b>1,473</b>

### New Members

New Members for Year Ended 31 March 2023	
New members	190
Transfers from other schemes	0
<b>Total new members</b>	<b>190</b>

### Member Exits

Member Exits for Year Ended 31 March 2023	
Retirement	21
Death	12
Transfers to other schemes	0
Ill health	2
Other reasons - redundancy	3
Other reasons - withdrawal	120
<b>Total member exits</b>	<b>158</b>

## Members' Accumulations

Members' accumulations	31 March 2023	31 March 2022
Total account balances	\$190,930,396	\$206,187,473
Number of members with accounts	1,505	1,473

## Total Contributions

Contribution Type	Total for Year Ended 31 March 2023	Number of Members to Whom Contributions Relate
Member contributions	\$7,201,546	1,247
Employer contributions	\$4,497,045*	1,232
<b>Total contributions</b>	<b>\$11,698,591</b>	

\*After deducting employer superannuation contribution tax.

## Changes Relating to the Scheme

During the year ended 31 March 2023, the Scheme continued as a restricted workplace savings scheme registered under the Financial Markets Conducts Act (FMCA).

During the year ended 31 March 2023 there were no amendments to the Trust Deed.

The PDS for the offer of membership was updated on 21 May 2022 with some minor updates.

The Statement of Investment Policy and Objectives (SIPO) was updated on 12 May 2022 with small variations to the target asset allocations for each portfolio.

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 2023 on anything other than arm's-length terms.

The following changes in relation to member benefits were made to the Trustees' policies and procedures:

- members of the Waterfront Fund who switch from permanent to casual terms of employment and are not eligible to remain in the Waterfront Fund shall be entitled to their withdrawal benefit,
- the charge of \$100 for in-service withdrawals and the six-month delay in the payment of these withdrawals to members of the Seafarers Fund will no longer be applied, and
- any small amounts in the Seafarers Reserve at the end of each year shall be distributed to seafarer members in July of the following year. These amounts are generally small and arise from funds in employer accounts to which members who withdraw from the Fund were not entitled under the vesting provisions of the Trust applying to members of the Seafarers Fund

## Other Information

During the year, 302 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>	
Leaving service	146
Transfer	0
Death	12
<b>Partial withdrawals</b>	
Contributing members	43
Non-contributing members	85
1 <sup>st</sup> home withdrawals	2
Financial Hardship	14

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	Growth Portfolio
April 2022	-2.31987%	-1.66440%	-2.49683%
May 2022	-3.65979%	-2.10461%	-4.47273%
June 2022	-7.48735%	-4.28356%	-9.01208%
July 2022	-2.74304%	-1.30491%	-4.11610%
August 2022	-4.83526%	-2.88314%	-6.05935%
September 2022	-8.80158%	-5.43985%	-9.91114%
October 2022	-6.12478%	-4.55741%	-6.47672%
November 2022	-4.60455%	-3.37652%	-4.76204%
December 2022	-7.18099%	-4.54397%	-7.89141%
January 2023	-3.29955%	-2.28844%	-3.24335%
February 2023	-3.67778%	-3.07649%	-3.47808%
March 2023	-2.54149%	-1.94156%	-2.54714%

The Trustees confirm that for the year ended 31 March 2023 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 2023 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)
- Craig Harrison (Vice Chairman)
- Ray Welson
- Ray Fife
- Carl Findlay
- Russell Mayn
- Brodie Stevens
- Walter Rushbrook
- Andrew Clark

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

Deepthi Swarnapuri resigned on 31 August 2022 as a Trustee and was replaced by Andrew Clark on 8 November 2022.

## How to Find Further Information

The following information is available electronically (and free of charge) on the Disclose Register at <https://disclose-register.companiesoffice.govt.nz/>:

- 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 Ltd (FSCL) – A Financial Ombudsman Service.

You may refer to your complaint to Financial Services Complaints Ltd (FSCL) – A Financial Ombudsman Service. FSCL is our independent external ombudsman and dispute resolution service that has been approved by the Minister of Consumer Affairs under the Financial Service Providers (Registration and Dispute Resolution) Act 2008.

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 26 July 2023

### Investment performance

	31 March 2023	31 March 2022
	\$	\$
Interest	0	0
Distributions	2,691,182	2,440,417
Gains on assets	(8,878,390)	164,389
Total investment revenue	(6,182,178)	2,604,806
Other income	3,158	7,051

### Expenses

	31 March 2023	31 March 2022
	\$	\$
Investment expenses	786,995	812,411
General expenses	615,374	567,486

### Membership activities

	31 March 2023	31 March 2022
	\$	\$
Member contributions	7,053,574	6,563,056
Employer contributions	4,486,956	4,330,063
Transfers In	158,061	16,897
KiwiSaver contributions	1,837,776	1,735,046
Withdrawals	(22,611,413)	(14,350,560)
Group Life premiums	3,597	6,283



**Assets**

	<b>31 March 2023</b>	<b>31 March 2022</b>
	<b>\$</b>	<b>\$</b>
Cash	143,698	204,448
Total investments	206,440,799	222,511,630
Receivables	95	0
Deferred Tax Asset	1,610,027	124,902
Prepayment	0	22,333
Payables	(93,878)	(65,672)
Benefits Payable	(478,004)	0
Tax receivable	30,711	11,980

**Member accounts**

	<b>31 March 2023</b>	<b>31 March 2022</b>
	<b>\$</b>	<b>\$</b>
Member accounts	85,852,712	90,831,031
Employer accounts	70,729,588	76,799,809
Deferred Beneficiary accounts	43,266,173	47,127,200
Death Benefit 'A' Reserve	5,614,753	5,947,083
Death Benefit 'B' Reserve	2,071,980	2,102,660
Seafarers' General Reserve	74,644	65,087
Pension Reserve	37,918	39,456
Income Reserve	5,678	(102,292)

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)