

ANNUAL REPORT TO MEMBERS

for the

MARITIME RETIREMENT SCHEME

Year ended 31 March 2024

Chairman's Report

I am pleased to present the eighth annual report of the Maritime Retirement Scheme (**MRS** or the **Scheme**) for the year ended 31 March 2024.

Scheme Size and Membership

During the year the Fund (including the Maritime KiwiSaver Scheme (**MKS**)) increased in size from \$207.7 million to \$224.2 million, comprising \$196.5 million in MRS member and employer accounts, \$18.9 million of MKS funds invested with MRS, and \$8.7 million in the reserve accounts (including the death benefit reserve accounts). Of the funds invested in member and employer accounts at 31 March 2024, 4% is invested in the new growth portfolio, 80% in the balanced portfolio and 16% in the conservative portfolio.

The overall membership of the MRS decreased by 1 from 1,505 to 1,504. Membership of the Waterfront Section increased from 874 to 887 members and membership of the Seafarers Section increased from 341 to 345. The number of deferred members reduced from 286 to 269.

Performance

All the investment portfolios achieved great returns for the year with the growth portfolio delivering a return of 17.9%, the balanced portfolio delivering a return of 15.3% and the conservative portfolio delivering a return of 7.4%, 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 6.3% and 2.6% 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.

Asset Management and Administration

The assets of the MRS continue to be invested in managed funds whose performance is closely monitored by the Trustees. During the year, the Trustees moved the allocations to active Global Equities, NZ Bonds and NZ Cash from ANZ Investments to Nikko Asset Management prior to ANZ Investments announcing their exit from the wholesale investment market.

Administration and investment management fees remain low compared to similar schemes. The expense ratios for the Scheme are currently 0.76% for the growth portfolio, 0.71% for the balanced portfolio and 0.62% for the conservative portfolio. These expense ratios compare favourably with expense ratios of most KiwiSaver schemes which are typically in the range of 0.9% to 1.2%.

Appreciation

The Trustees thank members and participating employers for their continuing support, and the Administration Manager, Melville Jessup Weaver, and other service providers and investment managers for their continuing services to the MRS.

Finally, this is my last Annual Report. In November this year I will be stepping down after over 40 years, 8 years as Chair of Trustees with the MRS and prior to that as Chair for the Waterfront Industry Superannuation Fund. It has been an honour and privilege to be involved over the years. It was particularly satisfying to steer the amalgamation of the Waterfront Industry Superannuation Fund and the Seafarers Retirement Fund into the MRS we know today. Brodie Stevens has been appointed to take over as Chair when I retire and over the last 6 months Brodie and I have worked together to ensure a smooth handover. I'm sure Brodie and his fellow Trustees will continue to manage the MRS to achieve great outcomes for its members. I am pleased to be able to report such strong investment performance in my final year as Chair.

David Young, Chair

Details of Scheme

The scheme's name is the Maritime Retirement 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 27 June 2024 for the year ended 31 March 2024. These are available on the Scheme's website: <https://.maritimeretirementscheme.nz/scheme-details/fund-updates/>.

The financial statements for the year ended 31 March 2024 and the auditor's report on those financial statements have been lodged with the Registrar of Financial Service Providers 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 2024	31 March 2023
Contributing members	1,232	1,219
Non-contributing members	272	286
Total members	1,504	1,505

New Members

New Members for Year Ended 31 March 2024	
New members	156
Transfers from other schemes	0
Total new members	156

Member Exits

Member Exits for Year Ended 31 March 2024	
Retirement	14
Withdrawal	125
Redundancy	5
Death	8
Ill health	0
Transfers to other schemes	1
Total member exits	157

Members' Account Balances

Members' Account Balances	31 March 2024	31 March 2023
Total account balances	\$205,242,622	\$190,930,396
Number of members with accounts	1,504	1,505

Total account balances include both member and employer accounts.

Total Contributions

Contribution Type	Total for Year Ended 31 March 2024	Number of Members to Whom Contributions Relate
Member contributions	\$7,622,626	1,257
Employer contributions*	\$4,793,886	1,234
Total contributions	\$12,416,512	

*After deduction of employer superannuation contribution tax.

Changes Relating to the Scheme

During the year ended 31 March 2024, the Scheme continued as a restricted workplace savings scheme registered under the Financial Markets Conducts Act (**FMCA**).

During the year ended 31 March 2024 there were no amendments to the Scheme Trust Deed.

The Statement of Investment Policy and Objectives (**SIPO**) was updated on 20 February 2024 to reflect the change in investment manager from ANZ Investments to Nikko Asset Management.

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 2024 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 as contributing members in the Waterfront Fund may withdraw or defer their MRS benefit, and
- Seafarer members no longer need to resign from the Maritime Union of New Zealand (**MUNZ**) to receive a resignation/retirement benefit.

Other Information

During the year, 322 Scheme members made a withdrawal that was permitted under the FMCA and the Trust Deed. The grounds on which those withdrawals were made were as follows:

Withdrawal type	Number of members
Full withdrawals	157
Leaving service	149
Death	8
Transfer	0
Partial withdrawals	165
Contributing members	51
Non-contributing members	94
1 st home withdrawals	5
Financial Hardship	15

The following table shows the monthly crediting rates (after tax at the highest PIR and an allowance for general expenses) applied to members' account balances at the end of each month during the year. The monthly crediting rates are also available on the Scheme's website:

<https://maritimeretirementscheme.nz/investment-performance/>:

Month	Crediting rate applied		
	Balanced Portfolio	Conservative Portfolio	Growth Portfolio
April 2023	1.67515%	0.86013%	2.07894%
May 2023	-0.42337%	-0.39314%	-0.47400%
June 2023	2.30790%	0.77023%	2.77331%
July 2023	1.28327%	0.48206%	1.68982%
August 2023	-0.21359%	-0.07097%	-0.32798%
September 2023	-3.70731%	-1.87789%	-4.34394%
October 2023	-1.67027%	-0.87605%	-2.38059%
November 2023	4.40639%	3.06326%	4.95419%
December 2023	3.32750%	2.58405%	3.82005%
January 2024	1.90814%	0.44732%	2.38129%
February 2024	2.58042%	0.68153%	3.20317%
March 2024	3.13215%	1.58332%	3.57960%

The Trustees confirm that for the year ended 31 March 2024 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 have been paid.
2. The market value of the net assets of the Scheme as at 31 March 2024 equalled the total value of benefits that would have been payable had all members of the Scheme ceased to be members at that date.

Changes to Persons Involved in the Scheme

The following persons served as Trustees during the year:

- David Young (Chair)
- Philippa Drury (Licensed Independent Trustee) appointed 25 July 2023
- Craig Harrison (Deputy Chairman) resigned 3 April 2024
- Ray Welson
- Ray Fife
- Carl Findlay
- Russell Mayn
- Brodie Stevens
- Walter Rushbrook
- Andrew Clark

Simon Brodie resigned as Licensed Independent Trustee on 25 July 2023 and was replaced by Philippa Drury.

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

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: <https://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 Trustees or the Administration Manager 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.

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:	www.fscl.org.nz
Email:	info@fscl.org.nz
Telephone:	0800 347257 (call free for consumers) (04) 472 FSCL (472 3725)
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 for the Scheme which were audited and signed on 31 July 2024.

Investment income

	31 March 2024	31 March 2023
	\$	\$
Interest	29,296	5,030
Distributions	3,789,393	2,691,182
Gains on assets	27,085,614	(8,878,390)
Total investment income	30,904,303	(6,182,178)
Other income	0	3,158

Expenses

	31 March 2024	31 March 2023
	\$	\$
Investment expenses	666,077	786,995
General expenses	616,638	615,374

Membership activities

	31 March 2024	31 March 2023
	\$	\$
Member contributions	7,622,626	7,053,574
Employer contributions	4,793,886	4,486,956
Transfers In	287,582	158,061
Maritime KiwiSaver Scheme contributions	1,701,487	1,837,776
Withdrawals	(26,137,700)	(22,611,413)
Group Life premiums	4,851	3,597

Assets

	31 March 2024	31 March 2023
	\$	\$
Cash	160,604	143,698
Total investments	224,584,729	206,440,799
Receivables	0	95
Deferred Tax Asset	241,137	1,610,027
Tax receivable	0	30,711
Payables	(97,340)	(93,878)
Benefits Payable	(722,142)	(478,004)

Member and Reserve Accounts

	31 March 2024	31 March 2023
	\$	\$
Member accounts	95,110,168	85,852,712
Employer accounts	77,138,242	70,729,588
Deferred Beneficiary accounts	43,206,776	43,266,173
Death Benefit 'A' Reserve	6,223,689	5,614,753
Death Benefit 'B' Reserve	2,330,025	2,071,980
Seafarers' General Reserve	79,041	74,644
Pension Reserve	43,392	37,918
Income Reserve	35,655	5,678

A copy of the full financial statements for the Scheme can be obtained from the Administration Manager:

Melville Jessup Weaver:

Freephone 0800 947 357

Email maritime@mjlw.co.nz