

NEW ZEALAND RETIREMENT TRUST
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NEW ZEALAND RETIREMENT TRUST
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For the year ended 30 June 2023

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NEW ZEALAND RETIREMENT TRUST
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the year ended 30 June 2023

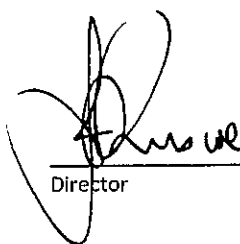
	Notes	2023 \$000's	2022 \$000's
INCOME			
Dividend and distribution income		199	310
Interest income		1,178	262
Net gains/(losses) on financial assets at fair value through profit or loss		<u>241,266</u>	<u>(320,790)</u>
TOTAL INCOME		<u>242,643</u>	<u>(320,218)</u>
EXPENSES			
Audit fees	4,10	43	41
Other services provided by the auditor	4,10	37	42
Management fees	10	16,076	16,807
Other expenses	10	<u>1,235</u>	<u>1,351</u>
TOTAL EXPENSES		<u>17,391</u>	<u>18,241</u>
NET PROFIT/(LOSS) BEFORE TAX		225,252	(338,459)
Tax expense/(credit)		-	-
NET PROFIT/(LOSS) AFTER TAX		<u>225,252</u>	<u>(338,459)</u>
MEMBERSHIP ACTIVITIES			
Contributions			
Members' contributions		106,226	122,775
Employer contributions		81,750	80,587
Transfers from other superannuation schemes		8,313	21,816
Members' PIE tax rebates		<u>11,711</u>	<u>4,916</u>
Total Contributions		<u>208,000</u>	<u>230,094</u>
Withdrawals			
Members' withdrawals		256,144	276,939
Transfers to other superannuation schemes		11,796	21,430
Members' PIE tax withdrawals		612	4,554
Member fees	10	994	1,149
Administration fees	10	9,076	9,825
Other fees		1,844	1,995
Insurance premiums	10	<u>531</u>	<u>514</u>
Total Withdrawals		<u>280,997</u>	<u>316,406</u>
NET CONTRIBUTIONS/(WITHDRAWALS)		<u>(72,997)</u>	<u>(86,312)</u>
CHANGE IN NET ASSETS AVAILABLE FOR BENEFITS		<u>152,255</u>	<u>(424,771)</u>

These financial statements should be read in conjunction with the accompanying notes.

NEW ZEALAND RETIREMENT TRUST
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
As at 30 June 2023

	Notes	2023 \$000's	2022 \$000's
ASSETS			
Cash and cash equivalents	3	30,494	17,115
Financial assets at fair value through profit or loss	3	3,314,833	3,173,882
Receivables	3	953	4,057
TOTAL ASSETS		<u>3,346,280</u>	<u>3,195,054</u>
LIABILITIES			
Payables	4	<u>4,121</u>	<u>5,150</u>
TOTAL LIABILITIES		<u>4,121</u>	<u>5,150</u>
NET ASSETS AVAILABLE FOR BENEFITS		<u>3,342,159</u>	<u>3,189,904</u>
VESTED BENEFITS	5	<u>3,342,159</u>	<u>3,189,904</u>

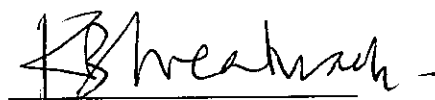
For and on behalf of AMP Wealth Management New Zealand Limited (the Manager), who authorised the issue of these financial statements as at the date below:



Director

19/10/2023

Date



Director

These financial statements should be read in conjunction with the accompanying notes.

NEW ZEALAND RETIREMENT TRUST
STATEMENT OF CASH FLOWS
For the year ended 30 June 2023

	Notes	2023 \$000's	2022 \$000's
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		1,178	262
Sale of financial assets at fair value through profit or loss		189,964	368,201
Purchase of financial assets at fair value through profit or loss		(89,439)	(280,078)
Expenses paid		<u>(15,592)</u>	<u>(17,661)</u>
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	8	<u>86,111</u>	<u>70,724</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Contributions received		210,127	229,205
Withdrawals paid		<u>(282,859)</u>	<u>(315,627)</u>
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES		<u>(72,732)</u>	<u>(86,422)</u>
Net increase/(decrease) in cash and cash equivalents		13,379	(15,698)
Cash and cash equivalents at the beginning of the year		<u>17,115</u>	<u>32,813</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		<u><u>30,494</u></u>	<u><u>17,115</u></u>

These financial statements should be read in conjunction with the accompanying notes.

NEW ZEALAND RETIREMENT TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

1. GENERAL INFORMATION

These financial statements are for the New Zealand Retirement Trust (the Scheme) for the year ended 30 June 2023 (balance date).

The Scheme is registered under the Financial Markets Conduct Act 2013 (the FMCA) as a Managed Investment Scheme. The Scheme is a defined contribution scheme.

The purpose of the Scheme is to provide retirement benefits to Members.

The Scheme is a profit-oriented reporting entity under XRB A1 - External Reporting Board Standard A1 'Application of the Accounting Standards Framework'.

The Scheme is currently governed by a Trust Deed dated 18 June 2020, between AMP Wealth Management New Zealand Limited (the Manager) and The New Zealand Guardian Trust Company Limited (the Supervisor).

The Manager of the Scheme is a wholly owned subsidiary of AMP New Zealand Holdings Limited. The Manager's ultimate holding company is AMP Limited, a company incorporated in Australia. The Manager is incorporated and domiciled in New Zealand. The registered office of the Manager is located at Level 19, Aon Centre, 29 Customs Street West, Auckland.

The Scheme is comprised of various funds (the Funds). Notwithstanding the division of the Scheme into Funds, the Scheme comprises a single trust fund with the value of the Members' interests in the Scheme determined by reference to the value of the units they hold in the Funds.

The Funds as at 30 June 2023 were as follows:

Diversified Funds

AMP Conservative Fund	ANZ Growth Fund
AMP Moderate Fund	ASB Moderate Fund
AMP Moderate Balanced Fund	ASB Balanced Fund
AMP Balanced Fund	ASB Growth Fund
AMP Growth Fund	Nikko AM Conservative Fund
AMP Aggressive Fund	Nikko AM Balanced Fund
AMP Balanced Fund No. 2	Nikko AM Growth Fund
AMP Balanced Fund No. 3	Milford Conservative Fund
Mercer Balanced Fund	Milford Balanced Fund
ANZ Conservative Fund	Milford Active Growth Fund
ANZ Balanced Growth Fund	Milford Aggressive Fund

Single Sector Funds

AMP Cash Fund	AMP International Shares Fund
AMP NZ Fixed Interest Fund	AMP International Shares Fund No. 2
AMP Global Fixed Interest Fund	ANZ Property Fund
AMP Australasian Shares Fund	

Other

Declared Rate Fund

During the period, on 13 February 2023, the Macquarie Global Multi-Asset Fund and the Macquarie Income Generator Fund were wound up and all members were redeemed from the funds.

NEW ZEALAND RETIREMENT TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies that materially affect the financial statements are set out below.

(a) Basis of preparation

These financial statements have been prepared in accordance with the Trust Deed governing the Scheme, the FMCA and New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), International Financial Reporting Standards (IFRS), and other applicable financial reporting standards as appropriate for profit-oriented entities.

The following accounting policies have been applied consistently to all periods presented in these financial statements.

The financial statements have been prepared on a historical cost basis, as modified by the revaluation of certain financial assets at fair value through profit or loss. The going concern assumption has been applied.

The Statement of Net Assets Available for Benefits is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current.

(b) Investment entities

The Scheme meets the definition of an investment entity but does not control any of its underlying investments.

The Manager determined that the Scheme met the definition of an investment entity by considering the number of Members in the Scheme, the Scheme's business purpose which is to generate a return to Members from capital appreciation and that substantially all of the Scheme's financial assets are measured and evaluated on a fair value basis.

(c) Currency

The financial statements are presented in New Zealand dollars, which is the Scheme's functional and presentation currency. All values are rounded to the nearest thousand dollars (\$000's).

(d) Income

Income is recognised if it is probable an economic benefit will flow to the Scheme and the income can be readily measured.

Dividend and distribution income is recognised when the right to receive payment is established.

Interest income is recognised using the effective interest rate method.

Net gains or losses on financial assets at fair value through profit or loss includes realised gains and losses on the disposal of financial assets and unrealised gains and losses arising from changes in the fair value of financial assets.

(e) Expenses

Expenses are recognised on an accrual basis.

(f) Financial instruments

(i) Classification

The Scheme classifies its financial assets and financial liabilities as:

(1) Financial assets at fair value through profit or loss

The Scheme includes in this category investments in collective investment schemes. Such financial assets are included in this category because they are not held within a business model whose objective is to either collect the contractual cash flows, or collect contractual cash flows and sell the financial assets (i.e. they are mandatorily measured at fair value through profit or loss). The Scheme does not designate any financial assets at fair value through profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Financial instruments (continued)

(2) Financial assets at amortised cost

The Scheme includes in this category cash and cash equivalents and receivables. These assets are classified as financial assets at amortised cost because the contractual terms give rise to cash flows that are solely payments of principal and interest on the principal outstanding and they are managed to collect the contractual cash flows.

(3) Financial liabilities at amortised cost

The Scheme includes in this category payables which may include liabilities owing by the Scheme which are unpaid as at the balance date. All financial liabilities are included in this category.

(ii) Recognition/derecognition

The Scheme recognises financial assets and liabilities on the date they become party to the contractual agreement (trade date).

Financial assets are derecognised when the right to receive cash flows from the asset has expired or the Scheme has transferred substantially all risks and rewards of ownership.

(iii) Measurement

(1) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are measured initially at fair value. After initial recognition, financial assets at fair value through profit or loss are revalued to fair value with changes in their fair value recognised in the profit or loss.

(2) Financial assets measured at amortised cost

Financial assets measured at amortised cost are measured initially at fair value plus transaction costs and subsequently amortised using the effective interest rate method, less expected credit losses (if any). Receivables have no significant financing component and a maturity of less than 12 months. The Scheme does not track changes in credit risk. The Scheme follows an approach similar to the simplified approach to expected credit losses (ECL) and recognises a loss allowance based on lifetime ECL at balance date due to the short term nature of these financial assets.

(3) Financial liabilities measured at amortised cost

Financial liabilities measured at amortised cost are measured at amortised cost using the effective interest method.

(iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of Net Assets Available for Benefits when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(g) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short term liquid financial assets with an original date of maturity up to 90 days, and bank overdrafts.

Payments and receipts relating to the purchase and sale of financial assets at fair value through profit or loss are classified as cash flows from operating activities, as movements in the fair value of these financial assets represent the Scheme's main income generating activity.

(h) Income tax and other taxes

(i) Portfolio Investment Entity (PIE) Tax

The Scheme qualifies as and has elected to be a PIE for tax purposes.

Under the PIE regime, detailed in the Income Tax Act 2007, income is effectively taxed in the hands of the Member and therefore the Scheme has no income tax expense recognised in the Statement of Changes in Net Assets Available for Benefits.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Income tax and other taxes (continued)

The Manager attributes the taxable income of the Scheme to Members in accordance with the proportion of their interest in each Fund. The income attributed to each Member is taxed at the Member's prescribed investor rate (which is capped at 28%) and is recognised as a reduction or increase in the value of net assets available for benefits.

(ii) Goods and Services Tax (GST)

The Scheme is not registered for GST. All components of the financial statements are stated as inclusive of GST where applicable.

(i) Contributions

Contributions are recognised when the Manager has confirmed the validity of a Member's application details and instructions. Each Member contributes to the Scheme in accordance with the Member Booklet from their employer, or at a rate determined by the Member who has left their employer and has a personal Your Plan, or if they are a Member of either the Personal Superannuation Section or the Personal Superannuation Scheme Section at a rate otherwise agreed between the Member and the Manager.

(j) Withdrawals

Withdrawals are recognised when the Manager has confirmed that a Member meets the conditions required for withdrawal eligibility. Withdrawals are paid on or after a Member's qualifying date for retirement. Early withdrawals are generally permitted for early retirement, significant financial hardship, first home withdrawals, total and permanent disablement, terminal illness and death or in other certain circumstances as agreed between a member, their employer and the Manager.

(k) Members' funds

Each unit issued confers an equal interest in that Fund of the Scheme to which the unit relates. A unit does not confer any rights or interests in the individual investments of the Fund or Scheme to the Member.

The rights, obligations and restrictions attached to each unit within a Fund are identical in all respects.

(l) Net assets available for benefits

Net assets available for benefits is the Scheme's present obligation to pay benefits to Members and is the difference between the carrying amount of the assets and the carrying amount of the liabilities.

(m) New accounting standards and interpretations

(i) Changes in accounting policy and disclosures

The accounting policies adopted are consistent with those of the previous financial year.

(ii) Accounting standards issued but not yet effective

No standards and interpretations have been issued with an effective date after the Scheme's balance date which would have a material impact on the financial statements of the Scheme.

NEW ZEALAND RETIREMENT TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2023

3. FINANCIAL ASSETS

	2023	2022
	\$000's	\$000's
Financial assets at fair value through profit or loss		
Managed Fund Policy**	103,327	101,344
AMP Wholesale Australian Equities Fund	2,792	2,938
AMP Wholesale Cash Fund	74,633	78,001
AMP Wholesale Diversified Fund 2*	263,177	280,034
AMP Wholesale Diversified Fund 3*	174,929	168,919
AMP Wholesale Diversified Fund 4*	261,982	253,310
AMP Wholesale Diversified Fund 5*	888,016	869,335
AMP Wholesale Diversified Fund 6*	280,028	254,069
AMP Wholesale Diversified Fund 7*	341,505	309,563
AMP Wholesale Global Bond Fund	1,367	1,329
AMP Wholesale Global Equities Fund	37,807	31,163
AMP Wholesale New Zealand Equities Fund	7,525	8,063
AMP Wholesale NZ Sovereign Bond Fund	4,818	4,819
ANZ Wholesale Balanced Growth Fund*	274,318	265,859
ANZ Wholesale Conservative Fund	13,024	15,119
ANZ Wholesale Growth Fund	36,560	28,697
ANZ Wholesale International Property Securities Fund	5,035	5,339
ANZ Wholesale Trans-Tasman Property Securities Fund	5,093	5,285
ASB Superannuation Master Trust - ASB Balanced Fund	88,402	85,948
ASB Superannuation Master Trust - ASB Growth Fund	21,081	15,664
ASB Superannuation Master Trust - ASB Moderate Fund	15,691	15,883
Macquarie Global Multi-Asset Fund (formerly AMP Capital Global Multi-Asset Fund)	-	1,901
Macquarie Income Generator Fund (formerly AMP Capital Income Generator Fund)	-	2,565
Mercer Balanced Portfolio	128,891	130,793
Milford Active Growth Wholesale Fund No.2	44,366	19,313
Milford Aggressive Fund	19,056	9,699
Milford Balanced Fund	38,134	17,207
Milford Conservative Fund	8,566	3,818
Nikko AM Wholesale Balanced Fund	136,736	147,540
Nikko AM Wholesale Conservative Fund	9,718	12,508
Nikko AM Wholesale Growth Fund	28,256	27,857
Total financial assets at fair value through profit or loss	<u>3,314,833</u>	<u>3,173,882</u>

* Financial assets exceeding 5% of net assets available for benefits.

** The Scheme invests via a managed fund policy, issued by Resolution Life Australasia Limited, into underlying investment assets

	2023	2022
	\$000's	\$000's
Financial assets at amortised cost		
Cash and cash equivalents	30,494	17,115
Receivables	953	4,057
Total financial assets at amortised cost	<u>31,447</u>	<u>21,172</u>
Total financial assets	<u>3,346,280</u>	<u>3,195,054</u>

NEW ZEALAND RETIREMENT TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2023

3. FINANCIAL ASSETS (continued)

	2023	2022
	\$000's	\$000's
Analysis of receivables		
Fee rebates receivable from underlying fund managers	63	44
Distributions receivable from underlying fund managers	-	9
Other receivables from underlying fund managers	-	987
Contributions receivable	890	3,017
Total receivables	<u>953</u>	<u>4,057</u>

4. FINANCIAL LIABILITIES

	2023	2022
	\$000's	\$000's
Financial liabilities at amortised cost		
Payables	<u>4,121</u>	<u>5,150</u>
Total financial liabilities	<u>4,121</u>	<u>5,150</u>

Analysis of payables

Payables to underlying fund managers	688	-
Payable to auditor	81	83
Management fees payable	1,216	1,178
Other expenses payable	321	213
Withdrawals payable	<u>1,815</u>	<u>3,676</u>
Total payables	<u>4,121</u>	<u>5,150</u>

The amounts payable to the auditor include both audit fees and fees for other services provided by the auditor. These expenses are shown in the Statement of Changes in Net Assets Available for Benefits. Other services provided by the auditor are all related to provision of additional assurance and include agreed upon procedures, audit of special purpose financial statements and audit of the Member register.

5. VESTED BENEFITS

Vested benefits are benefits payable to Members, under the conditions of the Scheme, on the basis of all Members ceasing to be Members of the Scheme at balance date. The vested benefits as at 30 June equalled the net assets available for benefits.

6. GUARANTEED BENEFITS

No guarantees have been made in respect of any part of the amounts available for benefits (2022: nil).

7. CAPITAL MANAGEMENT

The Scheme's capital is represented by redeemable units with no par value and is reflected as net assets available for benefits in the Statement of Net Assets Available for Benefits. In accordance with the accounting policies and the risk management policies in note 9, the Scheme endeavours to invest contributions received in appropriate investments whilst maintaining sufficient liquidity to meet any withdrawal requests. The terms and conditions attached to units in the Scheme can be found in note 2(k).

NEW ZEALAND RETIREMENT TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2023

8. RECONCILIATION OF NET PROFIT/(LOSS) AFTER TAX TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	2023	2022
	\$000's	\$000's
Net profit/(loss) after tax	225,252	(338,459)
Reinvested dividend and distribution income	(199)	(310)
Net (gains)/losses on financial assets at fair value through profit or loss	(241,266)	320,790
Management fee offset	1,655	1,217
Sale of financial assets at fair value through profit or loss	189,964	368,201
Purchase of financial assets at fair value through profit or loss	(89,439)	(280,078)
Net change in operating payables	<u>144</u>	<u>(637)</u>
Net cash inflow/(outflow) from operating activities	<u>86,111</u>	<u>70,724</u>

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

(a) Financial risk management objectives, policies and processes

The Scheme may be exposed to credit risk, market risk (including unit price risk and interest rate risk), and liquidity and cash flow risk arising from the financial assets it holds.

The Manager is responsible for identifying and controlling the risks that arise from these financial assets. The Manager agrees policies for managing each of the risks identified below.

The Manager also monitors information about the total fair value of financial assets exposed to risk, as well as compliance with established benchmark asset allocations and ranges. These benchmark asset allocations and ranges reflect the investment strategy, objectives and policy, and market environment of the Scheme, as well as the level of risk that the Scheme is willing to accept. This information is prepared and reported to relevant parties within the Manager on a regular basis as deemed appropriate, including key management personnel, appropriate committees, and ultimately the Supervisor of the Scheme.

In order to avoid excessive concentration of risk (which would arise, for example, when a number of financial assets are entered into with the same counterparty), the Manager monitors the Scheme's exposure to ensure concentrations of risk remain within acceptable levels and reduces exposure to manage excessive risk concentrations when they arise.

(b) Credit risk

The Scheme's cash and cash equivalents are not past due or impaired. The Scheme's receivables are subject to the ECL model under NZ IFRS 9 'Financial Instruments'. No ECL allowance has been recorded. The carrying amount of these assets best represents their maximum credit risk exposure at balance date.

Cash and cash equivalents are held with banks registered in New Zealand.

(c) Market risk

Two components of market risk have been identified for the Scheme: unit price risk and interest rate risk.

These risks are managed by ensuring that all investment activities are transacted in accordance with established benchmark asset allocations and ranges.

The Scheme invests primarily in units in collective investment schemes (underlying funds), either single-sector or diversified portfolios of domestic or international securities. This reduces the impact of a particular security underperforming.

NEW ZEALAND RETIREMENT TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2023

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

(c) Market risk (continued)

(i) Unit price risk

The table below shows the impact on the Statement of Changes in Net Assets Available for Benefits and Statement of Net Assets Available for Benefits due to a reasonably possible change in the unit price, with all other variables held constant.

	Increase/(decrease) on net profit/(loss) before tax and Increase/(decrease) on net assets available for benefits	
	2023	2022
	\$000's	\$000's
Change in unit price:		
+10%	331,483	317,388
-10%	(331,483)	(317,388)

(ii) Interest rate risk

The Scheme's exposure to interest rate risk primarily arises from changes in interest rates applicable to cash and cash equivalents.

The Manager actively monitors interest rate risk exposure and takes actions as necessary. This includes regular review of interest rates applicable to cash balances. The Scheme has no significant direct investments subject to interest rate risk. The Scheme's exposure to interest rate risk is not deemed significant.

(d) Liquidity and cash flow risk

Due to the nature of a superannuation scheme, it is unlikely that a significant number of Members would withdraw at the same time. However, to control liquidity risk, the Scheme invests in financial assets, which under normal market conditions are readily convertible to cash. In addition, the Scheme invests within established investment ranges to ensure there is no concentration of risk.

Payables have no contractual maturities but are typically settled within 30 days. Receivables outstanding at balance date are generally due to be settled within 90 days of balance date.

(e) Fair value of financial assets and liabilities

The fair value of units held in underlying funds is determined by reference to published exit prices, being the redemption price established by the underlying fund manager.

NZ IFRS 13 'Fair Value Measurement' require fair value measurements to be disclosed by the source of inputs, using a three level hierarchy. The fair value of the Scheme's financial assets at fair value through profit or loss are classified as being Level 2, as they are measured using inputs that are directly observable at balance date (2022: Level 2).

10. RELATED PARTIES

Under the terms of the Trust Deed, the Manager is entitled to charge fees in relation to the administration and management of the Scheme.

Fees charged by the Manager during the year are shown in the Statement of Changes in Net Assets Available for Benefits. Fees payable to the Manager are shown in note 4. Outstanding balances at year end are unsecured, interest free and settlement occurs in cash.

Under the terms of the Trust Deed, the Manager and Supervisor may recover costs and expenses such as audit costs, printing and postage, legal fees and system costs charged by third parties. These expenses are reflected in audit fees, other services provided by the auditor and other expenses in the Statement of Changes in Net Assets Available for Benefits.

The Manager pays the Supervisor fees and underlying fund managers' fees on behalf of the Scheme.

NEW ZEALAND RETIREMENT TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2023

10. RELATED PARTIES (continued)

The Supervisor is entitled under the Trust Deed to be paid an annual fee, calculated daily and payable quarterly in arrears, as the Supervisor and Manager may agree from time to time. Supervisor fees for the year ended 30 June 2023 amounted to \$389,000 (2022: \$423,000).

Certain employers include insurance cover as a benefit for their members. An employer's member booklet will inform Members what insurance cover is available (if any). Insurance cover is provided by Resolution Life Australasia Limited or other insurers.

Insurance premiums for the year ended 30 June 2023 amounted to \$531,000 (2022: \$514,000).

The Manager is also the manager for the AMP Wealth Management Wholesale Funds (the WS Funds) which the Scheme invests into (as shown in note 3). The Manager does not charge any management fees to the WS Funds.

The Scheme had the following transactions with the WS Funds during the year and balances at 30 June:

	2023	2022
	\$000's	\$000's
Amounts due from the WS Funds	-	-
Amounts payable to the WS Funds	-	-
Purchases of Investments in the WS Funds	19,790	2,631,710
Sales of Investments in the WS Funds	114,718	126,844

The directors of the Manager are considered key management personnel (KMP) and may be members of the Scheme. They contribute on the same basis and have the same rights as other members. The amounts held by KMP in the Scheme at 30 June are:

	2023	2022
	\$000's	\$000's
Fund		
AMP Balanced Fund	686	604
AMP Growth Fund	1	1
ASB Balanced Fund	1	-
ANZ Growth Fund	1	-

No related party debts have been written off or forgiven during the year (2022: nil).

11. CONTINGENT ASSETS, LIABILITIES AND COMMITMENTS

There are no contingent assets, liabilities or commitments as at balance date (2022: nil).

12. CHANGES TO THE TRUST DEED

There were no changes to the Trust Deed in the year to 30 June 2023.

13. EVENTS AFTER BALANCE DATE

Subsequent to balance date, on 28 August 2023, the ASB Moderate Fund, ASB Balanced Fund and ASB Growth Fund were renamed to the SuperLife Moderate Fund, SuperLife Balanced Fund and SuperLife Growth Fund.

Independent auditor's report to the members of the New Zealand Retirement Trust

Report on the audit of the financial statements

Opinion

We have audited the financial statements of the New Zealand Retirement Trust (the "Scheme") on pages 1 to 12 which comprise the statement of net assets available for benefits of the Scheme as at 30 June 2023, the statement of changes in net assets available for benefits and the statement of cash flows for the year then ended, and the notes to the financial statements including a summary of significant accounting policies.

In our opinion, the financial statements on pages 1 to 12 present fairly, in all material respects, the financial position of the Scheme as at 30 June 2023 and its financial performance and cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

This report is made solely to the Scheme's members, as a body. Our audit has been undertaken so that we might state to the Scheme's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme and the Scheme's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Scheme in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Ernst & Young provides other assurance services and agreed upon procedures to the Scheme. Partners and employees of our firm may deal with the Scheme on normal terms within the ordinary course of the business of the Scheme. We have no other relationship with, or interest in, the Scheme.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements of the Scheme as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of the audit report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including

the procedures performed to address the matters below, provide the basis for our audit opinions on the accompanying financial statements.

Financial Assets at fair value through profit or loss

Why significant

- ▶ The Scheme's financial assets at fair value through profit or loss ("financial assets" or "investments") represent approximately 99% of the Scheme's total assets.
- ▶ As detailed in the Scheme's accounting policies, as described in Note 2 to the financial statements, these financial assets are recognised at fair value through profit or loss in accordance with NZ IAS 26: *Accounting and Reporting by Retirement Benefit Plans*.
- ▶ Volatility and other market drivers can have a significant impact on the value of these financial assets and the financial statements as a whole, therefore they are considered a key area of audit focus.
- ▶ Disclosures regarding the Scheme's financial assets at 30 June 2023 are included in Note 3 to the financial statements and regarding financial risks are included in Note 9 to the financial statements.

How our audit addressed the key audit matter

Our audit procedures included:

- ▶ Gaining an understanding of the processes used to record investment transactions and the daily revaluation of the financial asset portfolio.
- ▶ Obtaining and considering the most recent Independent Assurance Reports on Controls related to the funds in which the Scheme invests. We rely on the confirmations provided by the fund managers or administrator to support the existence and valuation of financial assets at balance date. We have considered the implications of any control deficiencies for our audit.
- ▶ Receiving third party confirmations directly, for each investment, of the number of units issued to the Scheme and their respective exit price at balance date and agreeing the recorded holdings to those confirmations. For the Resolution Life Australasia Limited Main Fund, we received third party confirmation of the total holding's gross market value.
- ▶ Where relevant, recalculating the valuation of the Scheme's financial asset portfolio at balance date. To validate the fair value, we agreed the pricing used for valuation purposes to the exit prices from third party confirmations.
- ▶ Agreeing a sample of investment applications and redemptions to investment confirmations from fund managers or other appropriate documentation.
- ▶ Assessing the disclosures in the financial statements including whether they appropriately reflect the Scheme's exposure to financial instrument risk with reference to NZ IFRS 7 *Financial Instruments: Disclosures*.



Information other than the financial statements and auditor's report

The Manager is responsible for the Annual Report, which includes information other than the financial statements and auditor's report which is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and, if uncorrected, to take appropriate action to bring the matter to the attention of the users for whom our auditor's report was prepared.

Manager's responsibilities for the financial statements

The Manager is responsible, on behalf of the Scheme, for the preparation and fair presentation of the financial statements in accordance with New Zealand equivalents to International Financial Reporting Standards and International Financial Reporting Standards, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing on behalf of the Scheme, the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Scheme or cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (New Zealand) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of Members taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at the External Reporting Board's website: <https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-2/>. This description forms part of our auditor's report.

The engagement partner on the audit resulting in this independent auditor's report is Sam Nicolle.

The logo for Ernst & Young, featuring the company name in a stylized, cursive script font.

Chartered Accountants
Wellington
20 October 2023