

ANNUAL REPORT.

Sovereign Staff Retirement Fund

For the year ended 31 March 2024

Welcome to the annual report for the Sovereign Staff Retirement Fund (“Scheme”) for the period 1 April 2023 to 31 March 2024.

Details of Scheme

The following details relating to the Scheme are applicable as at 31 March 2024:

Name of the Scheme

The name of the Scheme is the Sovereign Staff Retirement Fund.

Type of Scheme

The Scheme is designated as a restricted workplace savings scheme and a restricted employer-related scheme and is therefore a restricted scheme for the purposes of the Financial Markets Conduct Act 2013 (FMCA).

Manager

The Scheme’s trustees are the manager of the Scheme. As at 31 March 2024, the Scheme’s trustees are Shaun Bruce Baird, Bruce John Kerr, Benjamin Lovelock and Nicholas Simon John Stanhope.

During the year, the following changes to the trustees occurred:

- Barbara Doune Connett was replaced by Leonid Elikhis on 30 June 2023;
- Linda Rose Page was replaced by Benjamin Lovelock on 28 September 2023;
- Leonid Elikhis was replaced by Shaun Bruce Baird on 20 October 2023.

Supervisor

The Scheme is not required to appoint a supervisor and therefore does not have one.

Product disclosure statement

The Scheme is closed to new investors and therefore does not have a product disclosure statement.

Fund updates

The scheme has only defined benefit pension members remaining and therefore fund updates for the Scheme are no longer required. The last fund updates available are for the year ended 31 March 2023.

Financial Statements and Auditor’s report

The latest financial statements for the Scheme that have been registered with the Registrar under the Financial Markets Conduct Act 2013 cover the financial year 1 April 2023 to 31 March 2024. The auditor’s report on these financial statements was dated 29 July 2024.

Information on contributions and Scheme participants

The table below shows the numerical changes in the membership of the Scheme that occurred during the year.

Defined Contribution Members

	Contributing members	Non-contributing members	Total number of members	Members' accumulation
Membership at 1 April 2023	0	2	2	\$23,499.63
PLUS				
New members transferring from other registered schemes	0	0	0	
Other new members	0	0	0	
LESS				
Members transferring to other schemes	0	2	2	
Retirement	0	0	0	
Death	0	0	0	
Other	0	0	0	
Membership at 31 March 2024	0	0	0	\$0.00

Defined Benefit Members (Pensioners)

	Contributing members	Non-contributing members	Total numbers of members
Membership at 1 April 2023	0	17	17
PLUS			
New members transferring from other registered schemes	0	0	0
Other new members	0	0	0
LESS			
Members transferring to other schemes	0	0	0
Retirement	0	0	0
Death	0	3	3
Other	0	0	0
Membership at 31 March 2024	0	14	14

Note: There are no accumulations shown for pensioners as their benefits are funded from the unallocated reserve of the Scheme.

Contributions

During the year, the following contributions were received by the Scheme:

Type	Total amount received	Defined Contribution Members	Defined Benefit Members (Pensioners)
Member contributions	\$0.00	0	0
Employer contributions	\$0.00	0	0
Member voluntary additional contributions	\$0.00	0	0
Total contributions	\$0.00	0	0

Changes relating to the Scheme

On 10 August 2023, the Scheme's trust deed (governing document) was amended to add a provision that allows FCA contributors (defined contribution members), while remaining in employment, to elect to transfer their benefit entitlement to an alternative superannuation (or KiwiSaver) scheme, subject to the employer's consent and the acceptance of the transfer by the receiving scheme as a fully vested benefit to the FCA contributor.

Following this amendment, the two remaining defined contribution members elected to transfer out of the Scheme in October 2023.

On 28 November 2023, the trustees subsequently disestablished the Cash, Conservative and Growth Funds being the funds available to defined contribution members.

There were no other changes to the Scheme's offer during the year ending 31 March 2024.

Statement of Investment Objectives and Strategy (SIPO)

The SIPO was updated on 16 May 2023 to update references to the Actuarial Report (see below) and changes in the investment administration services provided by AIA Services New Zealand Limited (**AIA**). It was amended again on 24 November 2023 to remove references to defined contribution members and the Cash, Conservative and Growth Funds available to them.

Related Party Transactions

There was one change made to the Scheme's Related Party Transaction Register during the year to reflect an increase in the Custodian's annual fees from \$10,000 per annum to \$13,000 per annum to take effect from the year commencing 1 December 2023. This is the first increase in Custodian fees since 2016. Custodian fees will thereafter increase in line with changes to the annual consumer price index movement.

All related party transactions entered into were conducted on normal commercial terms and conditions during the accounting period and were on an arm's length basis.

Other information for particular types of managed funds

Withdrawals

	Number of Defined Contribution Members	Number of Defined Benefit Members (Pensioners)
Pension payments	0	17
Retirement/Resignation	0	0
Hardship	0	0
Redundancy	0	0
Transfers out	2	0
Death/Disablement	0	3

Actuarial Report (for the defined benefit section of the Scheme)

An actuarial review of the Scheme was last conducted as at 31 March 2022.

The rates or amounts of contributions paid are in accordance with the recommendations contained in the most recent report of the Scheme's actuary dated 14 October 2022. In the report the Actuary reported that the Scheme's financial position was sound and recommended that there was no need for the employer, AIA, to make further contributions to the Scheme. The expected costs of providing the annual benefits to members and administration costs can be funded from the Scheme's surplus assets.

The Scheme's net assets of \$9.55m significantly exceeded the value of the accrued liabilities of \$2.76m as at 31 March 2022.

The trustees receive annual updates of the Scheme's pension liabilities from the Fund Actuary. The last update was carried out as at 30 June 2023 and showed that the vested benefits for members were \$2,597,506 and the value of the Scheme's total net assets available to pay benefits was \$8,769,982.

The next triennial Actuarial Report for the Scheme is due for the period ending 31 March 2025 and is expected to be completed in October 2025.

Returns

There are no remaining members who receive benefits based on an investment return therefore no returns are required to be reported. However, the Balanced Fund representing the unallocated balance of the Scheme earned an effective rate of return of 7.56% for the year ended 31 March 2024, after tax and expenses.

Statement by manager

As the manager of the Scheme, we confirm that for the year ended 31 March 2024:

- All the contributions required to be made to the Scheme in accordance with the terms of the governing document have been made;
- All the benefits required to be paid from the Scheme in accordance with the terms of the governing document have been paid; and
- The market value of the assets of the Scheme at the end of the financial year, 31 March 2024, equalled or exceeded the total value of the benefits that would have been payable had all members of the Scheme ceased to be a member at that date and had provision been made for the continued payment of all benefits being paid to members and other beneficiaries as at the end of the financial year.

Changes to persons involved in the Scheme

During the period there were no changes to the administration manager, investment manager, securities registrar, custodian or auditor of the Scheme. However, the following changes to the trustees occurred:

- Barbara Doune Connett was replaced by Leonid Elikhis on 30 June 2023;
- Linda Rose Page was replaced by Benjamin Lovelock on 28 September 2023;
- Leonid Elikhis was replaced by Shaun Bruce Baird on 20 October 2023.

How to find further information

Please see the offer register and the scheme register at business.govt.nz/disclose for further information about the Scheme (search "Sovereign Staff Retirement Fund"). The scheme register includes financial statements, past fund updates, annual reports and the trust deed for the Scheme under the Documents tab.

The trust deed, statement of investment policy and objectives (SIPO), past annual fund updates and annual reports can be found on the AIA website at www.aia.co.nz/en/about-aia/sovereign-staff-retirement-fund

Alternatively, you can contact the administration manager for the Scheme, Melville Jessup Weaver, and request a copy of the information to be sent to you by calling 0800 728 370 or emailing ssrf@mjlw.co.nz

The offer register includes information relating to the membership and funds, including performance and asset allocation. It also includes fund updates and other material information.

All the information noted above can be obtained at no charge.

Contact details and complaints

Contact details for the trustees

The trustees of the Sovereign Staff Retirement Fund
c/- AIA Services New Zealand Limited
57 Market Road
Epsom
Auckland

Telephone: 0800 500 108
Email: NZ.SSRF@aia.com

OR

The trustees of the Sovereign Staff Retirement Fund
c/-Melville Jessup Weaver
Kiwi Wealth House
20 Ballance Street
P O Box 1096
Wellington 6140
Telephone: 0800 728 370
Email: ssrf@mjlw.co.nz

Securities registrar

Melville Jessup Weaver
P O Box 1096
Wellington 6140

Phone: 0800 728 370
Email: ssrf@mjlw.co.nz

How to complain

In the first instance, please direct any complaints about your investment to the trustees at either of the addresses shown above.

The trustees are a member of the Insurance & Financial Services Ombudsman (IFSO) Scheme which is an approved dispute resolution scheme. If the complaint is not able to be resolved with the trustees, you may contact the IFSO at:

Insurance & Financial Services Ombudsman Scheme
PO Box 10-845
Wellington 6143
New Zealand

Phone 0800 888 202
Email: info@ifso.nz

This dispute resolution scheme will not charge a fee to any complainant to investigate or resolve a complaint.