

ANNUAL REPORT TO MEMBERS

and

SUMMARY FINANCIAL STATEMENTS

for the

PORTS RETIREMENT PLAN

Year ended 31 March 2017

Introduction

On behalf of the Directors of Ports Retirement Trustee Limited I present the Annual Report and Summary Financial Statements for the Ports Retirement Plan for the year ended 31 March 2017.

HIGHLIGHTS OF THE YEAR

- A gross investment return of 8.5% after investment management expenses;
- A name change from NZ Harbours Superannuation Plan to Ports Retirement Plan;
- A change from individual trusteeships to having a special purpose trustee company with the former Trustees as its Directors; and
- Transition to full compliance with the Financial Markets Conduct Act 2013 (FMCA).

During their regular quarterly meetings, the Directors continued to keep a focus on the Plan's investment performance. In a year where geopolitical issues such as the outcome of the UK's referendum on Brexit and the election of President Trump in the US caused considerable volatility in investment markets it is pleasing to report on another satisfactory result as shown above.

With the help of our solicitors, Chapman Tripp and the Administration Manager, Melville Jessup Weaver, the Plan completed in September 2016 the transition to compliance with the FMCA. This involved corporatising the Plan's trusteeship and revising and amending the Plan's core documents (see *Changes Relating to the Scheme* on page 7).

Members were kept regularly informed of these developments through the newsletters.

This is the first Annual Report prepared under the requirements of the FMCA and you will note that the headings and content differ from what you will be used to seeing. The sections headed *Details of Scheme, Information on Contributions and Scheme Participants, Changes Relating to the Scheme, Other Information for Particular Types of Managed Funds, Changes to Persons Involved in the Scheme, How to Find Further Information* and *Contact Details and Complaints* are all required by the FMCA to be included in the order shown (and their content reflects the new legislative requirements).

Returns to Members

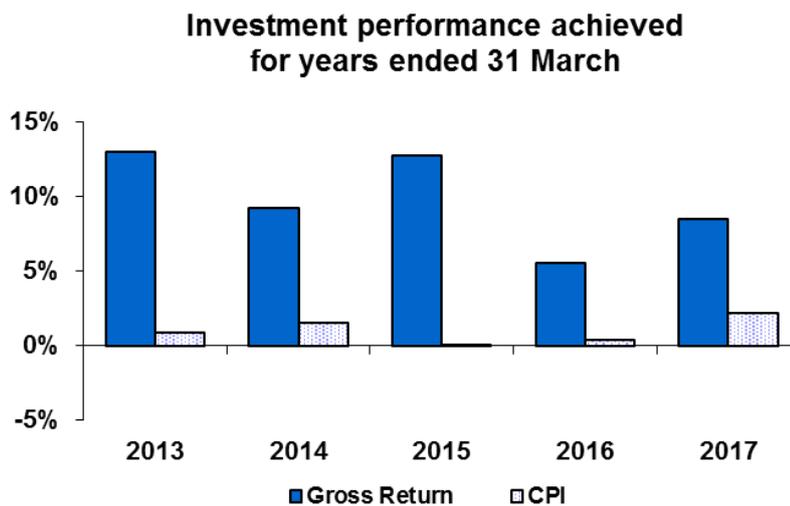
While markets were again tough for the 2017 year the Plan achieved a satisfactory gross return of 8.5% after investment management expenses for the 12 months. The year ended 31 March 2017 saw global share markets rise 19.5% allowing for currency hedging, though an unhedged investor received a lower return (14.0%) due to the New Zealand dollar rising against most major currencies. The New Zealand share market was weaker than in previous years but still rose 7.9%. The Plan's exposure to the Australian share market was particularly positive - that market was up 18.7% in New Zealand dollar terms. Bond markets had lower returns, as interest rates halted their falls and rose in the latter half of the Plan's financial year. The New Zealand Government Bond index returned just 1.0% for the year, with corporate bonds doing better (returning 3.1%). The global bond market was up 2.6% overall, with a similar dynamic of corporate bonds outperforming sovereign bonds.

The Plan's investment return for the year gave members an equivalent gross return (after investment expenses but before all other expenses and insurance costs) of 8.5% before tax. The return before all other expenses and insurance costs but after tax was 7.0% at a prescribed investor rate (PIR) of 28% and 7.6% at a PIR of 17.5%.

The details of other expenses, insurance costs (when applicable) and tax are set out in each member’s year-end benefit statement. Due to the complexity of those other expenses and insurance costs, and the tax allocation process, it is not possible to advise in this Annual Report the crediting rate or rates applied to members’ balances after expenses, costs and tax as this percentage rate differs for each individual member.

Over the five years ended 31 March 2017, the average annual pre-tax return (as described above) was 9.8% against the annual average rate of inflation of 1.0%, so the average annual pre-tax real return over that period was 8.8%.

The graph below compares the pre-tax returns achieved by the Plan with inflation over the last five years.



Investment Issues

INVESTMENT REVIEW

Investment markets’ performance for the year ended 31 March 2017 can be best described as surprisingly resilient. It would have been a brave commentator who predicted double-digit equity market returns twelve months ago. However, in the face of a strengthening US economy and a Chinese economy that seemed to navigate a potentially disruptive slowdown well, equity markets rose strongly.

The bull market following on from the global financial crisis has now stretched past eight years with many asset classes starting to look fully (or even over) valued relative to history. Thus, many investors, including the Plan, have sought to diversify their portfolios away from traditional asset classes and into investments such as property, infrastructure and hedge funds in an attempt to remove some of the downside risk should there be a market correction.

Despite the reasonably strong returns, the year was not without its jitters. Early months were overshadowed by fears around a Chinese slowdown, June saw the UK’s Brexit vote rattle markets and November brought about the surprise victory of Donald Trump in the US presidential election which saw bond markets sell off dramatically. Each of these has had lasting impacts: the Chinese government now speaks of a growth target of “around 6.5%” (down from a range of 6.5% to 7% previously), the UK pound remains some 15% below its pre-Brexit level and US interest rates have risen from their June 2016 lows. However, to a large extent, markets have taken an optimistic outlook.

Holdings of shares, and in particular infrastructure stocks, cheered Trump’s victory with the expectation of greater fiscal stimulation. Similarly, corporate debt performed well and commodity prices generally moved upwards. Oil prices in particular showed a strong rise over the period as they rose from the lows of January 2016.

Sovereign bonds faced headwinds as rising growth and inflation expectations resulted in rising interest rates that led to mark-to-market losses in that sector. However, for the full year, bonds mostly managed to grind out small positive returns.

Locally, while the New Zealand share market underperformed its global peers, the economic picture remained rosy. The milk price rose and while the Kaikoura earthquake put an unexpected dent in GDP, the economy still grew a respectable 2.7% in the calendar year ended 31 December 2016.

The government is now forecasting real GDP growth of 3.1% pa for the next five years, making our economy the envy of many and perhaps driving the record inward migration figures seen recently. To be sure, places such as Auckland are exhibiting growing pains but the inward migration is serving to keep a lid on labour cost inflation, which in turn has allowed the Reserve Bank to maintain its stimulatory stance in recent months. This comes after it lowered the official cash rate twice (August 2016 and November 2016).

The New Zealand dollar finished the year level or up against most major currencies (its gain against the Brexit-hit pound was the greatest).

INVESTMENT SECTOR ALLOCATIONS

As at 31 March 2017, the assets of the Plan were invested as shown in the table below, with the prior year proportions being shown for comparison.

Investment sector	\$m	31.03.2017	31.03.2016
		Proportion %	Proportion %
Shares NZ / Australian	10.3	12.7	13.3
Shares Overseas	25.8	31.8	30.2
Alternative assets	2.1	2.6	3.2
Property	4.2	5.1	6.7
Global Infrastructure	3.0	3.7	3.2
Growth Assets	45.4	55.9	56.6
Fixed Interest NZ	10.7	13.2	13.0
Fixed Interest Overseas	17.5	21.5	21.2
Alternative assets	4.2	5.2	5.6
Cash, net current assets	3.3	4.2	3.6
Income Assets	35.7	44.1	43.4
Total	81.1	100.0	100.0

STATEMENT OF INVESTMENT POLICY AND OBJECTIVES (SIPO)

The Trustee has duties under the trust deed and at law to ensure that the assets of the Plan are properly managed.

The Plan has a wide range of assets which should support a sustainable return to members over time.

A key objective in the SIPO is to outperform the CPI by 2.5% on a rolling three year basis. The Plan has achieved this very successfully in the last three years and indeed over the last five years.

The SIPO benchmark and strategic asset allocation ranges as at 31 March 2017 are shown in the table below:

Sector	%	Range	
		Lower	Upper
NZ shares	8.33	6.50	10.50
Australian shares	4.17	3.00	5.50
	12.50		
Global shares	30.00	25.00	35.00
Property/Infrastructure			
Listed	2.50	0.00	5.00
Global	2.50	0.00	5.00
Infrastructure	5.00	2.50	7.50
	10.00		
Alternative	2.50	0.00	5.00
<i>Total Growth Assets</i>	<i>55.00</i>	<i>50.00</i>	<i>60.00</i>
Alternative	5.00	2.50	7.50
NZ Bonds	13.25	10.75	15.75
Global Bonds			
PIMCO	10.88		
GSAM	10.88		
Total	21.75	16.75	26.75
Cash	5.00	2.50	7.50
<i>Total Income Assets</i>	<i>45.00</i>	<i>40.00</i>	<i>50.00</i>
Total	100.00		
Foreign currency exposure			
Global shares	75.00	0.00	100.00
Australian shares	0.00	0.00	100.00

APPOINTED INVESTMENT MANAGERS

The Plan has four investment managers. Based on actual asset allocations, as at the end of the year the allocation to each manager was as follows:

AMP Capital Investors New Zealand Limited managed 27% of Plan assets, comprising Cash, New Zealand Bonds, Property (New Zealand and Global) and Global Infrastructure.

ANZ New Zealand Investments Limited managed 46% of Plan assets, split between Global Equities, Australian Equities and Global Bonds.

Nikko Asset Management New Zealand Limited managed 19% of Plan assets, split between Growth and Income-based Alternative Assets and Global Bonds.

Harbour Asset Management Limited managed 8% of Plan, assets in Australasian Equities.

There were no new manager appointments this year.

THE YEAR AHEAD

We find ourselves in a similar situation to last year, with interest rates generally remaining low relative to history and equity markets near historic highs. This leads expectations for future returns to be lower than in previous years, notwithstanding the strong recent run in markets.

In the US, the ability of the new presidential administration to stimulate stronger growth with its “America first” agenda will be a key driver of future returns. Equity markets have already factored in stronger growth and higher inflation, so any disappointment there may have a large impact on short term returns. Similarly, Europe is dealing with important recent and pending elections in a climate of weak growth and discontent among average voters. How Britain’s surprise election result shapes the negotiations over Brexit will be a key watchpoint.

Emerging markets, while more volatile, perhaps have a better outlook over the medium term, given the better demographic dynamics and stronger starting growth rates. However, as Brazil has demonstrated recently, the developing world remains exposed to significant disruption in its capital markets.

The Plan continues to operate to a well-diversified investment mix in order to capture the best returns without taking on undue risk. The Plan’s Investment Consultant considers that at present the Plan’s chosen managers provide a suitable mix for the management of the Plan’s assets. The managers are well aware of the issues that face investment markets and have sufficient abilities to manage the funds accordingly.

Compared to other similar schemes the Plan continues to operate to a more conservative strategy with slightly lower exposure to equity markets and more diversifiers in its line-up in the form of alternative asset classes. Overall, the Directors continue to believe that while investment markets will be volatile in the short-term, acceptable investment results will be achieved if they maintain a long-term focus.

Details of Scheme

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

The manager is Ports Retirement Trustee Limited, whose Directors are named on page 13.. The product disclosure statement for the Plan is dated 3 October 2016 and is open for applications. A fund update for the Plan was produced as at 31 March 2017.

The financial statements of the Plan as at 31 March 2017, 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 companiesoffice.govt.nz/disclose, selecting search schemes and entering the Plan name.

Information on Contributions and Scheme Participants

Total Members

Members	1 April 2016	31 March 2017
Contributing members	479	487
Non-contributing members	29	27
Total members	508	514

New Members

New Members In Year Ended 31 March 2017	
Transfers from other schemes	Nil
Other new members	41
Total new members	41

Member Exits

Member Exits In Year Ended 31 March 2017	
Leaving service	32
Death	3
Total and Permanent Disablement	Nil
Transfers to other schemes	Nil
Other reasons	Nil
Total member exits	35

Members' Accumulations

Members' accumulations	1 April 2016	31 March 2017
Total account balances	\$81,041,767	\$81,073,149
Number of members with accounts	508	514
Total members	508	514

Total Contributions

Contribution Type	Total In Year Ended 31 March 2017	Number of Members To Whom Contributions Related
Member contributions	\$2,816,933	515
Employer contributions*	\$1,616,072	513
Member additional voluntary contributions	Nil	Nil
Total contributions	\$4,433,005	515

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

Changes Relating to the Scheme

During the year ended 31 March 2017 the Plan transitioned to the Financial Markets Conduct Act 2013 (“FMCA”), becoming a restricted workplace savings scheme registered under the FMCA instead of a superannuation scheme registered under the Superannuation Schemes Act 1989.

As part of the transition exercise a new trust deed for the Plan took effect on 16 September 2016. The main changes to the trust deed were technical amendments made in order to comply with the FMCA, and these included:

- updated terminology and new definitions;
- updated indemnity provisions and delegation powers;
- provisions addressing the Trustee’s core FMCA obligations regarding financial statements, record-keeping, member statements, material error corrections, registers, annual reports, related party transactions, rights to information and reporting to the Financial Markets Authority; and
- provisions addressing the Trustee’s obligations under the FMCA to maintain and comply with a statement of investment policy and objectives (“SIPO”).

For the same reasons a replacement SIPO was lodged on 16 September 2016. The main changes were minor technical amendments made in order to comply with the FMCA (and there were no material changes made to the Plan’s investment policy and objectives).

On 16 September 2016, the Plan’s first certificate in respect of transactions giving related party benefits was signed by the Trustee. The certificate related to the investment management fees payable to the Plan’s four investment managers, the administration and investment consulting fees payable to Melville Jessup Weaver Limited and the fees payable to the Trustee Directors and the Union.

No transactions providing for related party benefits (as contemplated by section 172(1) of the FMCA) to be given from the Plan were entered into during the year ended 31 March 2017 on anything other than arm’s-length terms.

Other Information for Particular Types of Managed Funds

During the year 51 Plan 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
Full withdrawals	35
Leaving service	32
Death	3
Partial withdrawals	16
Contributing members aged 65 plus	8
Non-contributing members	6
Relationship property sharing order	2

The Trustee confirms that for the year ended 31 March 2017 all contributions required to be made to the Plan in accordance with the terms of the trust deed were made.

The Trustee confirms that:

1. All the benefits required to be paid from the Plan in accordance with the terms of the trust deed have been paid.
2. The market value of the property of the Plan as at 31 March 2017 equalled the total value of benefits that would have been payable had all members of the Plan ceased to be members at that date and had provision been made for the continued payment of all benefits being paid to members as at that date.

As noted earlier in this Annual Report:

- the Plan's before-tax investment return (after investment expenses but before all other expenses and insurance costs) for the year ended 31 March 2017 was 8.5%; and
- this gross return will have been 7.0% at a PIR of 28% and 7.6% at a PIR of 17.5%;

but due to the complexity of those other expenses and insurance costs, and the tax allocation process, it is not possible to advise in this Annual Report the crediting rate or rates applied to members' balances after expenses, costs and tax (as that percentage rate differs for each individual member).

Changes to Persons Involved in the Scheme

As reported in the 2016 Annual Report, Paul Drummond was appointed effective 1 July 2016 as a Trustee to meet the requirement under the FMCA for there to be a licensed independent trustee. Also, because under the FMCA all Plan assets must be held by a company rather than by individual trustees, effective 16 September 2016 the individual trustees retired as trustees and Ports Retirement Trustee Limited was appointed as the replacement Trustee of the Plan. Each former trustee was appointed as a Director of the new Trustee, which now acts as manager of the Plan and custodian of the Plan's property.

During the year under review there were the following changes in the Directors of Ports Retirement Trustee Limited:

Resigned	Sara Lunam effective 23 February 2017
	Roy Cowley effective 23 February 2017
Appointed	Simon Kebbell effective 23 February 2017
	Chris Ball effective 23 February 2017

On behalf of members I would like to thank Sara and Roy for the valuable contributions that they made over the years while they were involved with the management of the Plan. I would also like to welcome Chris and Simon as new Directors.

There were no other changes during the year to the Trustee or its directors, the administration manager, any investment manager, the securities registrar or the auditor of the Plan.

There were no changes in the control of the Trustees or the new Trustee during the year ended 31 March 2017.

How to Find Further Information

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

- copies of the trust deed, the Plan's latest audited financial statements, the statement of investment policy and objectives and the annual report (select *search schemes* and enter the Plan name); and
- copies of the product disclosure statement, the annual fund update and other material information relating to the Plan (select *search offers* and enter the Plan name).

Copies of the statement of investment policy and objectives, the product disclosure statement, the latest annual report and the latest fund update (as well as other information about the Plan) are also available on the Plan's website portsretirement.org.nz.

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

Ports Retirement Plan
Melville Jessup Weaver
Level 5, 40 Mercer Street
PO Box 11330
Wellington 6142

Contact Details and Complaints

Contact details for the Administration Manager are:

Ports Retirement Plan
Melville Jessup Weaver
Level 5, 40 Mercer Street
PO Box 11330, Wellington 6142

Phone: 0800 728 370

Any queries or complaints about the Plan can be made by contacting the Trustee at the above address.

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

The Trustee has 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 Plan 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 Plan's external disputes resolution service, Financial Services Complaints Limited ("FSCL"). 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)
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.

Summary of the Plan's Operational Results

Activities in the last five years are summarised in the following table.

Year ended 31 March	2017	2016	2015	2014	2013
Audited Accounts	\$m	\$m	\$m	\$m	\$m
Fund start of year	81.0	84.3	78.4	73.2	67.8
Contributions	4.4	4.4	4.3	4.1	4.0
Benefits	(9.8)	(11.0)	(7.1)	(4.3)	(5.7)
Expenses	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)
Taxation	(0.8)	(0.4)	(0.9)	(0.9)	(1.2)
Investment income	6.6	4.0	10.0	6.7	8.6
Other income	0.2	0.3	0.0	0.1	0.2
Fund end of year	81.1	81.0	84.3	78.4	73.2

Over the year ended 31 March 2017, total members' balances increased marginally to \$81.073 million, from \$81.042 million in the prior year. That increase (\$31,382) compares with a decrease of \$3.23 million in the prior year.

The main reason that the value of the Plan's assets increased slightly, despite there being benefit payments of \$9.8 million and contributions of only \$4.4 million, was that the Plan had gross investment income (after investment expenses but before all other expenses, insurance costs and tax) of \$6.6 million.

Plan Administration

MEMBER SERVICES

Contacts

For members, initial contact is with the Secretary, **Leonie Stieller**, Rail & Maritime Transport Union phone (04) 499 2066, email lstieller@rmtunion.org.nz



An alternative contact is the Administrator, **Claire Shiels**, Melville Jessup Weaver phone (04) 499 0277, email claire.shiels@mjlw.co.nz



Wills and Your Nominated Beneficiary

Issues relating to wills and nominated beneficiaries remain of vital importance to members.

Due to this we make no apologies for making this section a regular feature in the Annual Report.

The question most often asked about a will is 'Do I need one?'. The answer, because you are going to die at some time, is 'Yes' - otherwise you will create difficulties for those you care about.

The Plan provides a death benefit which has to be paid out. But it is the Trustee who is charged with correctly paying out that benefit. The Trustee has a broad discretion as to how to distribute the benefit and may pay it to one or more of a range of potential recipients including (among others) anyone whose name and details you have notified to us in writing, your spouse, your children, your dependants or your estate – the point is that the Trustee has to decide.

So you need to make sure that the Trustee has good information to help it make an appropriate decision about who should receive the benefit. There are two things that you should do:

- firstly, keep your Plan nominated beneficiary details up to date, and
- secondly, make a will, as the will directs how assets in (or paid to) your estate must be distributed.

If you do not have a will, the Court may appoint an administrator to manage your estate, which takes time and may not be someone you would have chosen.

Then the assets in your estate (which may include some or all of your death benefit from the Plan, if the Trustee makes a payment to your estate) are distributed according to the Administration Act, which may not be what you would have wanted.

Another way of looking at this is to know that if you have advised the Trustee of your nominated beneficiaries and if you have made a will, you help make the financial consequences of your death much easier for your loved ones.

Conclusion

In closing this report I wish again to emphasise the importance the Directors place on managing the Plan in the best interests of members.

I am pleased to be able to report on another satisfactory year for members. Economic and political difficulties still prevail around the world - volatility in world investment markets will continue and the year ahead will not be without problems and difficulties - but the Directors will continue to act in the best interests of all of you.

I also record with thanks the valuable contribution made by my fellow Directors to the management of the Plan.



DAVID S STEVENS

CHAIRMAN

15 June 2017

Profiles of Trustee's Directors



David Stevens was appointed the Chairman of Trustees in 1994 and is now the Chairman of Directors of Ports Retirement Trustee Limited. He is a retired General Manager of a major bank and a retired Executive Director of Workplace Savings New Zealand. He is a Trustee of and involved in the management of a number of charitable organisations.

Wayne Butson was appointed a Trustee in March 2010. Wayne is the General Secretary of the Rail & Maritime Transport Union and a Trustee of the Locomotive Engineers' SAD Fund and the NZ Railways Staff Welfare Trust.



Stephen Connolly was appointed a Trustee in November 2013. Stephen is the Chief Financial Officer at Port Otago and lives in Dunedin. He holds a Bachelor of Commerce and Management majoring in Finance and Economics and is a Chartered Accountant.

Chris Ball was appointed a Director of the Trustee in February 2017. He is a Chartered Accountant and is also a Trustee of the Locomotive Engineers' SAD Fund.



Paul Drummond (Licensed Independent Trustee) was appointed a Trustee in 2016. He acts as the Licensed Independent Trustee Director of the Plan for the purposes of the FMCA. He spent over 40 years in banking and investment-related roles with several New Zealand banks before retiring in 2013. He is currently acting as Executive Trustee of the NZ Red Cross Foundation and has Licensed Independent Trustee roles for several other restricted workplace savings schemes.

Andrew Kelly was appointed a Trustee in November 2014, He has worked for the past 9 years as a fitter/turner at LPC where he is branch president of the Rail & Maritime Transport Union and also South Island Ports Representative on the NMC. Andrew served his apprenticeship in the UK and moved to NZ 30 years ago.



Simon Kebbell was appointed a Director of the Trustee in February 2017. Simon is an experienced finance professional who holds a Bachelor of Management Studies and is also a Chartered Accountant. For the last 10 years he has held the role of IT/Finance Manager for the Port of Tauranga Limited.

Dion Young was appointed a Trustee in October 2009 and works as a cargo handler/crane driver for C3 Limited in Tauranga. Dion, a South Islander who has lived in Mount Maunganui for 7 years, is a delegate of the Rail & Maritime Transport Union Bay of Plenty Port Branch.



Summary Financial Statements

The following summary financial statements have been extracted from the full financial statements for the year ended 31 March 2017, which were authorised for issue by the Trustee on 15 June 2017. An unmodified audit report was issued on the full financial statements on 15 June 2017.

There is no requirement to obtain an audit opinion on the summary financial statements. Consequently, the summary financials are unaudited.

As the summary financial statements do not include all the disclosures included in the full financial statements, they cannot be expected to provide as complete an understanding as is provided by the full financial statements of the financial position, financial performance and cash flows of the Plan.

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

Melville Jessup Weaver (Claire Shiels):

Telephone (04) 499 0277

Freephone 0800 728 370

Email claire.shiels@mjlw.co.nz

The full financial statements comply with the Financial Reporting Act 2013 and were lodged on the Disclose Register (companiesoffice.govt.nz/disclose) on 15 June 2017.

The full financial statements and the summary financial statements are presented in New Zealand dollars because that is the currency of the primary economic environment in which the Plan operates.

The full financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand and the requirements of the Financial Reporting Act 2013.

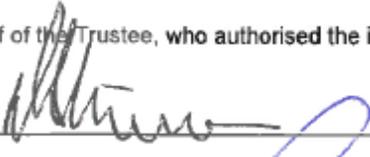
The full financial statements comply with *New Zealand Equivalents to International Financial Reporting Standards* (NZ IFRS) and other applicable Financial Reporting Standards, as appropriate for profit-oriented entities. The full financial statements also comply with International Financial Reporting Standards (IFRS) as issued by The International Accounting Standards Board.

PORTS RETIREMENT PLAN

**Statement of Net Assets
As at 31 March 2017**

	2017 \$	2016 \$
CURRENT ASSETS		
Cash at Bank	10,620	76,860
Accrued Investment Income	-	8,000
Contributions Receivable - Member	159,046	167,830
Contributions Receivable - Employer	97,132	102,974
Taxation Receivable	-	70,176
Total Current Assets	<u>266,798</u>	<u>425,840</u>
FINANCIAL ASSETS - Fair Value Through Profit & Loss		
Short Term Deposits	3,847,325	2,400,710
Fixed Interest - Onshore	10,728,981	10,513,326
Fixed Interest - Offshore	17,458,968	17,169,896
Equities - Trans Tasman	10,274,486	10,761,242
Equities - Offshore	25,807,270	24,507,346
Property Domestic	2,056,219	2,764,032
Property International	2,105,037	2,641,850
Global Infrastructure	3,002,885	2,627,759
Alternative Assets - Growth	2,105,220	2,568,004
Alternative Assets - Income	4,237,973	4,503,399
Forward Foreign Exchange	(128,624)	510,480
Total Investments	<u>81,495,740</u>	<u>80,968,044</u>
 Total Assets	 81,762,538	 81,393,884
Less LIABILITIES		
Sundry Accounts Payable	131,888	352,116
Benefits payable	423,844	-
Taxation payable	133,657	-
Total Liabilities	<u>689,389</u>	<u>352,116</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>81,073,149</u>	<u>81,041,767</u>
LIABILITY FOR PROMISED BENEFITS		
<i>Represented By:</i>		
Member Accounts	52,261,305	52,303,957
Employer Accounts	28,811,844	28,737,810
	<u>81,073,149</u>	<u>81,041,767</u>

For and on behalf of the Trustee, who authorised the issue of these financial statements on:

Director:  _____

Date: 15.6.2017

Director:  _____

Date: 15.6.2017

PORTS RETIREMENT PLAN

Statement of Changes in Net Assets For the year ended 31 March 2017

INVESTMENT ACTIVITIES	2017	2016
	\$	\$
Investment revenue		
Dividends	-	18,785
Gains on Financial Assets at Fair Value Through Profit or Loss	7,034,218	4,428,939
	<u>7,034,218</u>	<u>4,447,724</u>
Investment Expenses		
Gross Investment Management Fees	(563,055)	(575,072)
Investment Management Fee Rebates	101,373	99,513
Net Investment Revenue	<u>6,572,536</u>	<u>3,972,165</u>
OTHER REVENUES		
Group Life Claims	108,841	335,749
Use of Money Interest	2,972	-
Total Other Revenue	<u>111,813</u>	<u>335,749</u>
OTHER EXPENSES		
Administration and Investment Advisor Fees	(250,561)	(276,592)
Auditors' Fees for Audit of Financial Statements	(12,650)	(18,420)
Auditors' Remuneration - other assurance services	(2,300)	(2,300)
Group Life Premiums	(185,009)	(174,767)
Trustees Remuneration	(44,579)	(42,520)
Auditors' Remuneration - Taxation Services Fees	(33,465)	(22,933)
Total Other Expenses	<u>(528,564)</u>	<u>(537,532)</u>
Change in Net Assets Before Taxation and Membership Activities	<u>6,155,785</u>	<u>3,770,382</u>
MEMBERSHIP ACTIVITIES		
Contributions		
Member Contributions	2,816,933	2,777,013
Employer Contributions	1,616,072	1,610,668
Transfers In from Other Schemes	-	34,378
Total Contributions	<u>4,433,005</u>	<u>4,422,059</u>
Benefits Paid		
Retirement	(4,989,494)	(4,044,821)
Withdrawals	(3,298,338)	(6,023,299)
Redundancy	(616,698)	-
Death and Permanent Incapacity	(835,001)	(906,548)
Resignation	(11,072)	-
Total Benefits Paid	<u>(9,750,603)</u>	<u>(10,974,668)</u>
Income Tax Expense	(806,805)	(448,447)
Net Membership Activities	<u>(6,124,403)</u>	<u>(7,001,056)</u>
Net Increase/(Decrease) in Net Assets During Year	<u>31,382</u>	<u>(3,230,674)</u>
Net Assets Available for Benefits at Beginning of Year	81,041,767	84,272,441
Net Assets Available for Benefits at End of Year	<u>81,073,149</u>	<u>81,041,767</u>

PORTS RETIREMENT PLAN

Statement of Cash Flows For the year ended 31 March 2017

	2017	2016
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
<i>Cash provided from</i>		
Member Contributions	2,825,716	2,812,990
Employer Contributions	1,621,914	1,611,953
Group Life Claims	108,841	335,749
Dividends Received	-	18,785
	<u>4,556,471</u>	<u>4,779,477</u>
<i>Cash applied to</i>		
Benefits Paid	(9,326,759)	(11,314,875)
Other Administration Expenses	(336,203)	(264,073)
Taxation Paid	(600,000)	(701,386)
Insurance	(360,008)	(174,767)
Trustee Fees	(44,579)	(42,520)
	<u>(10,667,549)</u>	<u>(12,497,622)</u>
Net Cash Flows from Operating Activities	(6,111,078)	(7,718,145)
CASH FLOWS FROM INVESTING ACTIVITIES		
<i>Cash provided from</i>		
Sale of Investments	14,591,015	21,654,121
<i>Cash was applied to</i>		
Purchase of Investments	(8,546,177)	(13,923,270)
	<u>6,044,838</u>	<u>7,730,851</u>
Net Cash Flows from Investing Activities	6,044,838	7,730,851
Net (Decrease)/Increase in Cash Held	(66,240)	12,707
Cash at Beginning of Year	76,860	64,153
Cash at End of Year	<u>10,620</u>	<u>76,860</u>

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SOLICITOR

Chapman Tripp
PO Box 993
Wellington 6140

COMPLAINTS RESOLUTION SERVICE

Financial Services Complaints Limited
P O Box 5967
Wellington 6145

INVESTMENT MANAGERS

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Wellington 6140

ANZ New Zealand Investments Limited
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Harbour Asset Management Limited
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Nikko Asset Management New Zealand Limited
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PLAN SECRETARY

Information can be obtained from and all correspondence from members to the Trustee should be addressed to:

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