

ANNUAL REPORT

Annual report for the year ended 30 June 2017



DETAILS OF THE SCHEME

This annual report has been prepared for the Police Superannuation Scheme (scheme) for the year ended 30 June 2017. The manager and trustee of the scheme is PSS Trustees Limited (trustee, we, or us).

The scheme is a registered workplace savings scheme. It is a restricted scheme which means only certain people can join, in this case employees of New Zealand Police.

The latest product disclosure statement for the scheme is dated 12 September 2016 and is open for applications.

The latest fund updates for each of the funds in the scheme for the year ended 30 June 2017 were made publicly available on 25 September 2017.

The latest financial statements for the scheme dated 14 September 2017 and the auditor's report on those financial statements were lodged with the Registrar of Financial Service Providers on 18 September 2017.

The financial statements and auditor's report, the fund updates, and the product disclosure statement are available on the offer register and the scheme register at www.companiesoffice.govt.nz/disclose and at pss.superfacts.co.nz.

INFORMATION ON CONTRIBUTIONS AND SCHEME PARTICIPANTS

This section provides a summary of changes in the membership of the scheme over the year ended 30 June 2017.

Membership	1 July 2016	30 June 2017
Total contributing scheme participants	9,148	9,145
Total non-contributing scheme participants	453	496
Total scheme participants	9,601	9,641

New members and member exits during the year ended 30 June 2017

New members		448
Transfers from other plans		0
Other new members		0
Total new members		448
Member exits due to:		
Retirement (including medical retirement)		39
Death		16
Transfers to other schemes		0
Other reasons, made up of:		353
Leaving service		340
Total and permanent disablement		0
Medical disengagement/serious illness		2
Redundancy		2
In-service termination		9
Total exits		408

Member accumulations	1 July 2016	30 June 2017
Total members' accumulations	\$1,778,137,535	\$1,928,974,495
Number of members	9,601	9,641

Total contributions to the scheme for the period	Total contributions during the period	Number of members who made the relevant contribution
Member contributions	\$52,694,113.34	9,624
Employer or other sponsor contributions	\$73,259,683.71	9,609
Member voluntary additional contributions	\$1,881,625.17	726
Total contributions	\$127,835,422.22	19,959

CHANGES RELATING TO THE SCHEME

The following is a summary of material changes relating to the scheme made during the year ended 30 June 2017:

GOVERNING DOCUMENT

The trust deed for the scheme was amended to comply with the Financial Markets Conduct Act 2013 (FMCA) and to introduce provisions relating to unit pricing.

TERMS OF THE OFFER

Daily unit pricing of each investment option of the scheme was introduced on 1 August 2016. Prior to this date, crediting rates were applied to members' balances.

STATEMENT OF INVESTMENT POLICY AND OBJECTIVES

Material changes to the statement of investment policy and objectives, generally required as a result of transitioning to the FMCA regime, were:

- Updating responsibilities of the various parties to include those rising from the FMCA
- Expanding the risk management section, in particular:
 - in respect of the approach to be adopted towards breaches of rebalancing ranges, and
 - to cover a number of additional risk policy areas.

RELATED PARTY TRANSACTIONS

No related party transactions were entered into during the year ended 30 June 2017 that were not on arm's-length terms.

There were no other material changes.

OTHER INFORMATION FOR PARTICULAR TYPES OF MANAGED FUNDS

During the period, the following withdrawals were made from the scheme:

Withdrawal type	Total number of members who made the relevant withdrawal
Retirement (including medical retirement)	39
Leaving service	340
Redundancy	2
In-service termination	9
Death/total and permanent disablement	16
Medical disengagement/serious illness	2
Financial hardship	38
Matrimonial settlement	33
Partial withdrawals	2,180
Total withdrawals	2,659

The scheme introduced unit pricing on 1 August 2016. Prior to that date, crediting rates were applied to members' balances.

The crediting rates that were applied in respect of the funds for the period 1 July 2016 to 31 July 2016 were as follows:

Fund	Crediting rate
Growth	2.69%
Balanced	2.02%
Stable	1.13%
Cash Plus	0.15%
Super Steps (Age 49)	2.36%
Super Steps (Age 59)	1.58%

The unit prices for the funds as at 1 August 2016 and 30 June 2017 were as follows:

Fund	Unit price as at 1 August 2016	Unit price as at 30 June 2017
Growth	\$1.00000	\$1.07440
Balanced	\$1.00000	\$1.04980
Stable	\$1.00000	\$1.02690
Cash Plus	\$1.00000	\$1.01510
Super Steps (Age 49)	N/A	N/A
Super Steps (Age 59)	N/A	N/A

PSS Trustees Limited, as manager and trustee of the scheme, confirms:

- all the contributions required to be made to the scheme in accordance with the trust deed have been made
- all the benefits required to be paid from the scheme in accordance with the terms of the trust deed have been paid
- the market value of the scheme property at the balance date equalled or exceeded the total value of benefits that would have been payable had all members of the scheme ceased to be members at that date and had provision been made for the continued payment of all benefits being paid to members and other beneficiaries as at the balance date.

CHANGES TO PERSONS INVOLVED IN THE SCHEME

The table below sets out what changes were made to persons involved in the scheme during the period ended 30 June 2017.

Person	Change
The trustee and manager of the scheme	As part of the transition to the FMCA regime, on 12 September 2016, a new corporate entity, PSS Trustees Limited, replaced individual trustees as the sole corporate trustee, manager, and issuer of the Police Superannuation Scheme. Each of the former trustees of the scheme was appointed as a director of PSS Trustees Limited.
The directors of the trustee and manager of the scheme	Ian Howard Russon was appointed as a director of PSS Trustees Limited on 1 February 2017. The current directors of PSS Trustees Limited are Charles Bertram Cahn, Gregory John Fleming, Eoin Malcolm Miller Johnson, Timothy Patrick McGuinness, Ian Howard Russon and David Edward Trappitt.
Key personnel of the trustee and manager of the scheme	None
Any administration manager or investment manager of the scheme	From 30 September 2016, the scheme's assets were invested in funds within Mercer Investment Trusts New Zealand. Prior to this date, the scheme's assets were invested in the Mercer Superannuation Investment Trust.
The securities registrar, custodian, or auditor of the scheme	None

HOW TO FIND FURTHER INFORMATION

Further information relating the scheme, including financial statements, annual fund updates, the scheme's trust deed and statement of investment policy and objectives, is available on the offer register and the scheme register free of charge at www.companiesoffice.govt.nz/disclose.

You may also obtain the above information, as well as an estimate of your current benefits, free of charge by contacting us through the scheme's administration manager at psscheme@mercer.com

CONTACT DETAILS AND COMPLAINTS

If you have any questions or complaints, please contact us through our scheme secretary:

Robyn Doherty
Scheme Secretary
PSS Trustees Limited
C/- Aon New Zealand
PO Box 2764
Wellington 6140
Telephone: (04) 819 4056

We are a member of Financial Services Complaints Limited (FSCL), a dispute resolution scheme approved under the Financial Service Providers (Registration and Dispute Resolution) Act 2008.

If you have made a complaint to us and it has not been resolved within 40 days or if you are dissatisfied with the proposed resolution, you can refer your complaint to:

Financial Services Complaints Limited
Level 4
101 Lambton Quay
PO Box 5967
Wellington 6145
Telephone: 0800 347 257

FSCL will not charge a fee to any complainant to investigate or resolve a complaint.

You may also contact Mercer (N.Z.) Limited (the securities registrar) at:

Police Superannuation Scheme
C/- Mercer (N.Z.)
Limited PO Box 1849
Wellington 6140
Telephone: 0800 777 243

