



# **Cook Islands National Superannuation Fund**

**Annual Report of the Trustee to the Members  
for the year ended 31 December 2003**

## **Trustee Report**

## Introduction

The Trustee is pleased to present to Members of the Cook Islands National Superannuation Fund the Trustee Report for the year ended 31 December 2003. The Trustee Report is produced to keep you informed of the Fund's financial results during the year and your investment in the Fund. Trustee Reports to Members will be issued annually.

Attached to the Trustee Report is your personal Status Report which lists the value of your benefits as at 31 December 2003.

## How the Fund Works

The Fund is designed to provide Members with a means to save for their retirement. The Fund is intended to help give Members financial security in their retirement or, in the event of their death before retirement, security for their dependants.

Membership of the Fund will become compulsory for all people working in the Cook Islands or employed outside the Cook Islands by an employer resident in the Cook Islands, unless they qualify for a specific exemption. Members contribute a percentage of their salary to the Fund and their Employers also contribute. All contributions are credited to Members Accounts. Each year Members Accounts are allocated with interest reflecting the rate earned during the year.

The Fund also provides Members with life insurance cover. The Government is currently paying costs associated with life insurance cover and administration fees. As shown in the Members Information Hand Book, Government commitment to these payments is scaled down over a 5 year period.

The purpose of the superannuation benefit is to provide for retirement through long term savings. To encourage savings, Members are not able to withdraw from the Fund while they remain Members.

On retirement the Members Employer Account is vested in the Members Account. Members should refer to the Members Information Handbook for details of their entitlements upon retirement, death or disability.

## Investments

During the year the under review, the Fund's money was invested in the Russell World Shares Fund and Russell World Bond Fund that are promoted by ING New Zealand Limited.

During the year, the Trustee amended the allocation by investing new contributions on a basis of 65% to the Bond Fund and 35% to the Shares Fund.

## Russell World Shares Fund

### Objective

The Russell World Shares Fund aims to provide long-term returns by investing in a highly diversified portfolio of International and New Zealand Shares.

### Market Exposure

|               |     |
|---------------|-----|
| Australasia   | 22% |
| North America | 45% |
| Other         | 33% |

## Russell World Bond Fund

### Objective

The Russell World Bond Fund aims to provide long-term returns by investing in a portfolio of International and New Zealand fixed income securities.

### Market Exposure

|             |     |
|-------------|-----|
| New Zealand | 61% |
| Overseas    | 39% |

## Investment Performance

For the year under review a 6.0% return has been credited to Member Accounts and the balance of the operating profit has been transferred to the Reserve Account.

## Amendments to Trust Deed

No amendments have been made to the Trust Deed since inception of the Fund.

## Trustee's Certificate

The Public Trust as Trustee of the Cook Islands National Superannuation Fund, hereby certifies, after having made due enquiry, to the best of our knowledge and belief, that:

- ♦ all contributions made to the Fund during the financial year were in accordance with the Trust Deed and were passed promptly to the Administration Manager
- ♦ all benefits required to be paid from the Fund in accordance with the Trust Deed were paid by the Administration Manager
- ♦ no monies are held or managed directly by the Trustee
- ♦ the market value of the Fund at the close of the financial year is sufficient to cover all accrued benefit entitlements that would have been payable had all Members of the Fund ceased to be Members at that date.



Don Mather  
General Manager – Corporate Trustee Services  
Public Trust

## Directory

### BOARD

Brian Baudinet (Chairman of the Board) – Chamber of Commerce  
(email [brian@baudinet.co.ck](mailto:brian@baudinet.co.ck))  
Miriam Pierre – Cook Islands Workers Association  
(email [ciwr@oyster.net.ck](mailto:ciwr@oyster.net.ck))  
Kevin Carr – Financial Secretary  
(email [finsec@oyster.net.ck](mailto:finsec@oyster.net.ck))  
Pa Epi Mana – Non-Chamber Employers  
(email [pa@moid.gov.ck](mailto:pa@moid.gov.ck))

### TRUSTEE

Public Trust  
P O Box 5067  
Wellington  
(Website [www.trustee.co.nz](http://www.trustee.co.nz))

### ADMINISTRATION MANAGER

TOWER Managed Funds Limited  
P O Box 4049  
Wellington  
(Website [www.towerfunds.co.nz](http://www.towerfunds.co.nz))

### INVESTMENT MANAGER

Frank Russell Company (N.Z.) Limited  
P O Box 105-191  
Auckland Central  
(Website [www.russell.com/nz](http://www.russell.com/nz))

### INSURER

AXA New Zealand  
(Website [www.axa.co.nz](http://www.axa.co.nz))

### AUDITOR

Deloitte Touche Tohmatsu  
P O Box 1990  
Wellington

### ENQUIRIES OR CORRESPONDENCE

Taukea Rau  
Chief Executive Officer  
P O Box 3076  
Rarotonga  
Cook Islands  
Phone 00682 25515  
Facsimile 00682 26615  
Email [ceo@superfund.gov.ck](mailto:ceo@superfund.gov.ck)

## Account Summary

|   | 2003<br>\$       | 2002<br>\$     |
|---|------------------|----------------|
| Balance at the beginning of the year          | 911,672          | 67,555         |
| <b>Income</b>                                 |                  |                |
| Member Contributions                          | 1,129,675        | 438,946        |
| Company Contributions                         | 1,087,233        | 409,777        |
| Change in Net Market Value of Investments     | (10,334)         | (26,896)       |
| Investment Distributions                      | 168,918          | 23,309         |
| Management Fee Rebate                         | 12,235           | 0              |
| Insurance Proceeds                            | 38,560           | 0              |
| <b>Total Income</b>                           | <b>2,426,287</b> | <b>845,136</b> |
| <b>Expenditure</b>                            |                  |                |
| Bank Charges                                  | 416              | 250            |
| Member withdrawals                            | 67,135           | 769            |
| <b>Total Expenditure</b>                      | <b>67,551</b>    | <b>1,019</b>   |
| <b>NET ASSETS AVAILABLE AS AT 31 DECEMBER</b> | <b>3,270,408</b> | <b>911,672</b> |

**A copy of the Fund's full financial accounts are available to Members  
on request, at no charge**

### MEMBERSHIP

|                               |             |
|-------------------------------|-------------|
| <b>As at 1 JANUARY 2003</b>   | <b>1358</b> |
| New Entrants                  | 261         |
| Transfers in                  | -           |
| Retirements                   | 4           |
| Withdrawals                   | 10          |
| Deaths                        | 3           |
| Disabilities                  | -           |
| Ill Health                    | 1           |
| Transfers Out                 | -           |
| <b>As at 31 DECEMBER 2003</b> | <b>1601</b> |