

Kia Orana Members,

Welcome to the Cook Islands National Superannuation Fund (CINSF) Quarterly Report. This report covers the period from October to December 2014 and provides updates and developments from the Operations of the Fund, the Board of Directors, and a summary of the most recent financial results.

This quarter has delivered a number of high profile events and decisions for the Fund, leading off with the first general meeting for members. The General Meeting was delivered by the CINSF Board of Directors, supported by myself, Ireen Muir the Manager Public Trust of New Zealand, and Scott Fletcher Superannuation Manager & Maria Flaherty Relationship Manager both from Russell Investments New Zealand. Presentations were made to members covering the recent member's survey, an overview of the Public Trust and their role, Russell Investments and the makeup of our investment portfolio, the proposed changes to enable member options for investment, portability of member accounts, eligibility for death benefits, and an opportunity for questions from members. The filming of the general meeting will be edited and uploaded to our website including key presentations for members to view in February.



In November the Court of Appeal delivered its decision in favour of the Minister of the Cook Islands National Superannuation Fund and unanimously declared the Act a valid enactment of the Parliament of the Cook Islands. This means business as usual for the Fund, with compulsory employee and employer contributions from the past 12 months now due to member's accounts. The CINSF team are now working with employers to ensure they are compliant with the Act. The Court of Appeal decision has not changed the focus of the CINSF and proposed changes to the Fund for member options will continue to be driven for completion and expected delivery to members is mid-2015.



The Board of Directors have adopted the recommendations of the most recent Actuarial Review completed by AON Hewitt. The review recommended changes to the pension rate at the age of 60 from \$72 to \$69 per \$1,000 invested. The new rates came into effect on 1 January 2015 for new pensioners, with existing pensioners remaining fixed on their current pension rate.

The full Actuarial Report and pension table is available on our website [www.cinsf.com](http://www.cinsf.com).

To follow is the most recent months Performance update of the Fund.

#### OFFICE LOCATION

Ground Floor  
Clarkes Building  
Avarua  
Rarotonga  
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#### CONTACT DETAILS

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#### OPERATIONS

##### Customer Service Manager

Twinn Joseph

##### Customer Service Officers

Nooke Thomas

Anastasia Karati

##### Risk & Compliance Manager

Julie Wilson

##### Operations Manager

Angela Charlie

##### Finance Officer

Leah Tumutoa

##### IT Support

Ross Warwick

##### Chief Executive Officer

Damien Beddoes

## Cook Islands National Superannuation Fund

|   |                           |
|---|---------------------------|
| Cook Islands National Superannuation Fund | Market Value <sup>1</sup> |
| Income Assets                             | \$57,497,020              |
| Growth Assets                             | \$34,363,493              |
| <b>Total Account</b>                      | <b>\$91,860,512</b>       |

<sup>1</sup>The market values are net of all fees and expenses.

| Returns in NZD <sup>1</sup>                 | 1 Month      | 3 Months     | Fiscal YTD    | 1 Year        | 2 Years p.a   | 3 Years p.a   | Since Inception (July 2010) <sup>2</sup> |
|---|--------------|--------------|---------------|---------------|---------------|---------------|--|
| Growth Asset Gross Performance <sup>3</sup> | 0.20%        | 5.51%        | 14.63%        | 14.63%        | 21.27%        | 20.80%        | 16.36%                                   |
| Income Asset Gross Performance <sup>4</sup> | 0.63%        | 2.86%        | 11.05%        | 11.05%        | 6.52%         | 8.56%         | 8.53%                                    |
| <b>Total Portfolio - Combined</b>           | <b>0.47%</b> | <b>3.84%</b> | <b>12.37%</b> | <b>12.37%</b> | <b>11.44%</b> | <b>12.59%</b> | <b>11.14%</b>                            |

<sup>1</sup> Historic performance returns prior to October 2012 have been calculated using performance reports produced by Onepath/ANZ Retail.

<sup>2</sup> Inception date into the direct mandate with Russell Investments is 3 October 2012. Prior to this it was with Onepath/ANZ Retail.

<sup>3</sup> On 23 April 2013, CINSF transitioned its growth assets from the Russell World Equity Strategies Fund (WESF) to the Russell Global Opportunities Fund (RGOF) and to the Russell Investments Australasian Shares Fund (RIASF). Performance includes the returns for the WESF Fund to 23 April 2013 and for the RGOF and RIASF from 23 April 2013 to 30 April 2013. Effective 1 December 2014, the Russell Investments Australasian Shares Fund was renamed the Russell Investments NZ Shares Fund.

<sup>4</sup> On 22 April 2013, CINSF transitioned its income assets from the Russell World Bond Fund to the Russell Global Bond Fund (RGBF) and Russell Investments NZ Fixed Interest Fund (RINZF). Performance includes the returns for the WBF to 22 April 2013 and for the RGBF and RINZF from 22 April 2013 to 30 April 2013.

Past performance is not necessarily indicative of future performance.

The team at CINSF have been expanding their knowledge with external studies at the University of the South Pacific, a number of training sessions delivered by the Public Trust, Russell Investments, and AON to improve our service to members, if you have any suggestions for improvement please feel free to call in and tell me about your experience. In addition to this I have met with our Insurance agent in New Zealand and will be announcing more benefits within the Insurance Policy, without any changes to the existing premiums, and this will be done in the first quarter 2015.



Damien Beddoes  
Chief Executive Officer

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