

Meat Industry Scheme

On behalf of the Board of Trustees of the National Provident Fund, set out below is a report on the performance and activities of your Scheme for the year ended 31 March 2023. Further information on the National Provident Fund's activities, and commentary on investment markets, is set out in the Chair's letter.

Your Scheme

CROWN GUARANTEE

The Meat Industry Scheme is a defined contribution scheme. The benefits payable by your Scheme are guaranteed by the Crown.

INVESTMENT PERFORMANCE

The asset class returns (before tax and expenses) and the comparative performance of the benchmark indices are shown in the table below.

Asset Class	Return	Index
Fixed interest (global)	(5.49%)	(4.89%)
New Zealand shares	(1.87%)	(1.17%)
Overseas shares	0.13%	(2.77%)

The investment return (after tax and expenses) earned by the Scheme, for the year ended 31 March 2023, was (2.00%) (2022:2.04%). In dollar terms, this represents investment loss of \$453,000 (2022 investment gain: \$743,000).

Around the world the ongoing impacts of the Covid-19 pandemic, central banks' response to address rising inflation and heightened geo-political instability, most noticeably evident in the ongoing conflict in Ukraine, have led to a significant economic slowdown and financial market volatility. The impact of these factors is likely to continue into the foreseeable future with flow on impact

on the returns from the Scheme's investments. The Board continues to monitor the impact of the movements in the market, and the implication for investment strategy, on an ongoing basis.

See the comparison over the page for the key statistics of your Scheme over the last 10 years. For an overview of the financial performance of the Scheme, refer to the tables on the following pages.

Annual Report for the year ended 31 March 2023

SUMMARY FINANCIAL STATEMENTS

The summary financial statements included in this Annual Report have been extracted from the full financial statements for the year ended 31 March 2023.

The summary financial statements cannot be expected to provide as complete an understanding as the full financial statements.

Members are welcome to view the full financial statements on our website – www.npf.co.nz/members/schemes – or contact the Scheme administrator, Datacom (see details on back page), for a free copy of the Scheme's full financial statements.



Meat Industry Scheme

EARNINGS RATE

The earnings rate declared by the Board for the Scheme for the year ended 31 March 2023 was 4% on contributors' total credits as at 1 April 2022, and 2% on contributions paid during the year. In line with the Board's crediting and reserving policy, the difference between the investment return of (2.00%) and the earnings rate of 4% has been taken from the reserves of the Scheme. As at 31 March 2023 there were no reserves as part of contributors' total credits (2022: 4.1%).

The objective of the Board's crediting and reserving policy is to build the reserves back up to 10% of contributors' total credits. An equitable share of any positive reserves is added to a contributor's total credit on retirement, withdrawal through redundancy or permanent incapacity, or on death before the contributor has commenced receiving a benefit.

WHO INVESTS YOUR MONEY

Fixed Interest Managers

Brandywine Global Investment Management, LLC
Pacific Investment Management Company LLC
PGIM, Inc

New Zealand Equity Managers

Devon Funds Management Limited
Harbour Asset Management Limited

Overseas Equity Managers

Arrowstreet Capital, Limited Partnership
Lazard Asset Management, LLC
Russell Investment Management Limited
(terminated 14 June 2022)
T. Rowe Price Australia Limited

Foreign Exchange Currency Hedging Manager

Bank of New Zealand Limited

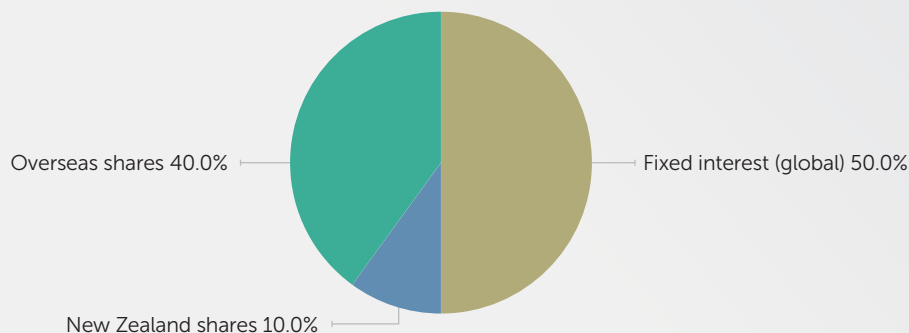
HOW YOUR MONEY IS INVESTED

The Scheme's asset allocation strategy is set by the Board and reviewed regularly. The asset allocation strategy was reviewed by the Board in December 2021 and the 5% allocation to Alternatives was reallocated to equities and fixed interest effective from 1 February 2022. The asset allocation was further reviewed in May 2022 and no changes were made. In addition, during the year, the Board has applied its Dynamic Asset Allocation (DAA) tilting programme as outlined in the Statement of Investment Policies, Standards and Procedures (SIPSP).

The pie chart shows the Scheme's asset allocation strategy effective from 1 February 2022 (and current as at 31 March 2023). There was no DAA tilt in place as at 31 March 2023.

The Board's SIPSP is reviewed regularly by the Board. During the year the SIPSP was updated and there were no significant changes to the SIPSP relating to the Scheme. See our website, www.npf.co.nz, for more information about your Scheme, including the Board's SIPSP, and the Scheme trust deed.

**Asset Allocation Strategy from 1 February 2022
(and current as at 31 March 2023)**



Meat Industry Scheme

SUMMARY STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2023

		2023 (\$000)	2022 (\$000)
<p>This is a summary of the Scheme's income and expenses, and membership contributions and payments during the year.</p>	Investment (loss)/income	(453)	743
	Less operating expenses	(183)	(178)
	Net (loss)/income before tax and membership activities	(636)	565
	Income tax credit	40	49
	Net (loss)/income after tax and before membership activities	(596)	614
	Contributions received	278	279
	Less benefit and withdrawal payments	(2,161)	(2,754)
	Less transfers to other schemes	-	-
	Net membership activities	(1,883)	(2,475)
	Other Scheme receipts	-	-
Other receipts - Section 72 Claim	476	-	
(Decrease) in liability for accrued benefits	(2,003)	(1,861)	

SUMMARY STATEMENT OF NET ASSETS AS AT 31 MARCH 2023

		2023 (\$000)	2022 (\$000)
<p>This is a summary of the Scheme's assets and liabilities, as at 31 March 2023.</p> <p>Assets include the Scheme's investments in fixed interest (global), New Zealand shares and overseas shares plus what the Scheme had in the bank and was owed by others.</p>	Investment assets		
	Fixed Interest Unit Fund	12,329	13,862
	Alternatives Unit Fund	-	109
	New Zealand Equity Unit Fund	2,444	2,743
	Overseas Equity Unit Fund	10,161	10,952
	Total investment assets	24,934	27,666
	Section 72 claim	476	-
	Other assets	1,109	1,247
	Total assets	26,519	28,913
	<p>Liabilities are what the Scheme owed to others.</p> <p>Net assets is the money available to pay future entitlements.</p>	Less liabilities	(37)
Net assets available to pay benefits		26,482	28,485
Represented by:			
Liability for accrued benefits			
Allocated to contributors' total credits		26,482	27,362
Unallocated reserves		-	1,123
		26,482	28,485

SUMMARY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

		2023 (\$000)	2022 (\$000)
<p>This is a summary of the cash flows through the Scheme during the year.</p> <p>Cash was received from:</p> <ul style="list-style-type: none"> operating activities (being contributions less benefit, transfer and withdrawal payments and operating expenses); and investing activities. <p>The difference between the two cash flows is recorded as an increase or decrease in cash held.</p>	Opening cash brought forward	1,190	1,141
	Net cash flows from operating activities	(2,392)	(2,157)
	Net cash flows from investing activities	2,238	2,206
	Net (decrease)/increase in cash held	(154)	49
	Closing cash carried forward	1,036	1,190

Meat Industry Scheme

Notes to the Summary Financial Statements

The summary financial statements:

- have been extracted from the full financial statements which were:
 - prepared in accordance with, and comply with, the New Zealand Equivalents to International Financial Reporting Standards;
 - authorised for issue by the Board on 6 July 2023; and
 - audited and received an unmodified opinion;
- cannot be expected to provide as complete an understanding as provided by the full financial statements;
- are reported in New Zealand dollars, rounded to the nearest thousand;
- are for a profit-oriented entity; and
- comply with Financial Reporting Standard 43: Summary Financial Statements.

SUBSEQUENT EVENTS

There were no material events subsequent to balance date requiring amendments to these financial statements.

TRUSTEE'S REPORT

For the year ended 31 March 2023

MEMBERSHIP

Changes in the Scheme membership numbers during the year were as follows:

	Contributors
Opening membership as at 1 April 2022	272
Retirements	(17)
Withdrawals	(1)
Transfers	-
Deaths and disablements	(8)
Extinguished liabilities*	(5)
Closing membership as at 31 March 2023	241

* Following a trust deed amendment on 5 April 2001, once reasonable efforts have been made to locate a member who has been missing for at least five years, the Board may extinguish the liabilities to that member. Where a person re-establishes contact with the Board within 15 years of the liabilities to that person being extinguished, the person is reinstated as a member of the Scheme.

On the basis of evidence available, the Board believes all contributions required to be made to the Scheme, in accordance with the terms of the Scheme trust deed, have been made.

The Board certifies that, to the best of its knowledge, all benefits required to be paid from the Scheme were paid in accordance with the terms of the Scheme trust deed.

The Board, based on the advice of the Actuary, certifies that as at 31 March 2023 the market value of the net assets of the Scheme was equal to the total value of the vested benefits of the Scheme. The amounts are shown in Note 13 to the financial statements.

The Board confirms, to the best of its knowledge, not more than 10 percent of the net market value of the Scheme assets was invested with the employer (or associated entities), either directly or indirectly, who are parties to the Scheme.

FEES

New scheme administration fees were negotiated with effect from 1 April 2022. Scheme administration fees are apportioned on fee per member and fee per transaction bases and are charged to the Scheme as a whole. As at 1 April 2023 the fees were increased for inflation.

The Board certifies it is satisfied the increase in the administration fees for the Scheme is not unreasonable. The Board is satisfied the total management fees charged to the Scheme are not unreasonable.

TRUST DEED AMENDMENT

The Scheme Trust Deed has not been amended since 28 June 2022, being the date of the Scheme's last annual report. A copy of the trust deed is available on request.

INDEPENDENT AUDITOR'S REPORT

To the readers of Meat Industry Scheme's Summary Financial Statements for the year ended 31 March 2023.

The Auditor-General is the auditor of Meat Industry Scheme (the Scheme). The Auditor-General has appointed me, Silvio Bruinsma, using the staff and resources of Deloitte Limited, to carry out the audit of the summary financial statements of the Scheme on his behalf.

OPINION

The summary financial statements of the Scheme that comprise the summary statement of net assets as at 31 March 2023, the summary statement of changes in net assets and the summary statement of cash flows for the year ended on that date, and related notes, are derived from the full financial statements for the year ended 31 March 2023 that we have audited. In our opinion, the summary financial statements are consistent, in all material respects, with the full financial statements for the year ended 31 March 2023, in accordance with FRS-43: Summary Financial Statements issued by the New Zealand Accounting Standards Board.

SUMMARY FINANCIAL STATEMENTS

The summary financial statements do not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the full financial statements and the auditor's report thereon.

The summary financial statements do not reflect the effects of events that occurred subsequent to the date of our auditor's report on the full financial statements.

THE FULL FINANCIAL STATEMENTS AND OUR AUDIT REPORT THEREON

We expressed an unmodified audit opinion on the full financial statements for the year ended 31 March 2023 in our auditor's report dated 6 July 2023.

BOARD OF TRUSTEES' RESPONSIBILITY FOR THE SUMMARY FINANCIAL STATEMENTS

The Board of Trustees is responsible on behalf of the Scheme for the preparation of the summary financial statements in accordance with FRS-43: Summary Financial Statements.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the full audited financial statements of the Scheme, based on our procedures, which were carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

We did not evaluate the security and controls over the electronic publication of the summary financial statements.

Other than in our capacity as auditor, we have no relationship with, or interests in the Scheme.

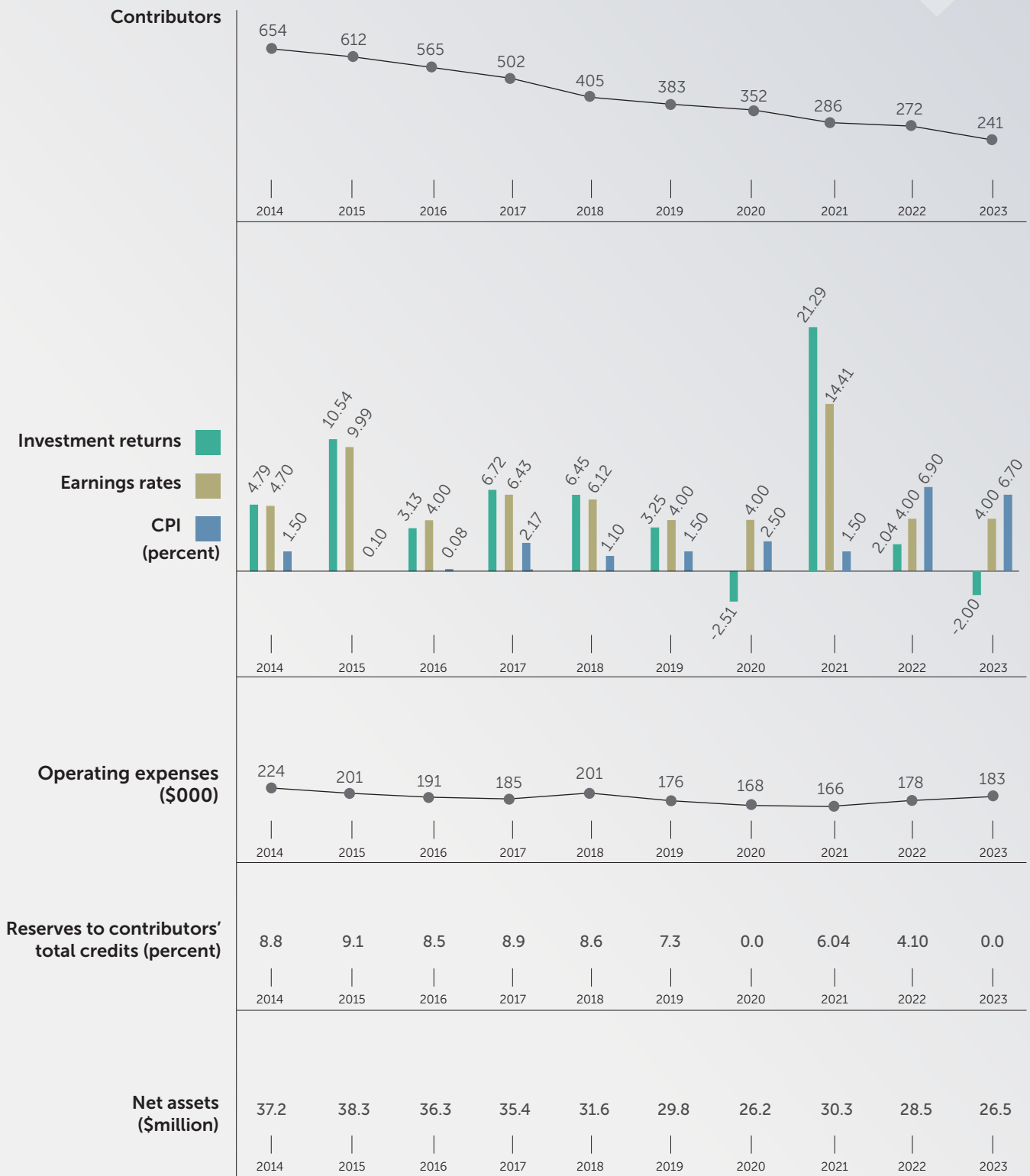


Silvio Bruinsma
for Deloitte Limited
On behalf of the Auditor-General
Wellington, New Zealand

6 July 2023

Meat Industry Scheme

10 year comparison



Meat Industry Scheme

Directory as at 6 July 2023

TRUSTEE

Board of Trustees of the National Provident Fund

BOARD MEMBERS

Edward Schuck – Chair – appointed 2015 and Chair from 1 September 2017

Sarah Park – Deputy Chair – appointed 1 February 2020 and Deputy Chair from 1 July 2022

Louise Edwards – appointed 1 July 2019

Graham Ansell – appointed 12 July 2021

Tracey Berry – appointed 1 July 2022

Lloyd Kavanagh – appointed 1 July 2022

Daniel Mussett (appointed 2016) – retired 30 June 2022

Stephen Ward – Deputy Chair (appointed 2016 and Deputy Chair from 1 February 2020) – retired 30 June 2022

Further information on the Board members is provided on our website – www.npf.co.nz.

MANAGEMENT

Tim Mitchell

Chief Executive and Acting General Manager – Investments

Philippa Drury

General Manager – Schemes

Fiona Morgan

Chief Financial Officer

Hadyn Hunt

Chief Risk Officer

DATAKOM

ADMINISTRATION

Datacom Connect Limited is the administrator of the NPF Schemes.

CONTACT DETAILS

You are welcome to contact Datacom if you have any specific questions about the information in this package, if you would like to receive a free copy of the full financial statements in the mail, to purchase a copy of the trust deed (\$10) or the actuarial valuation (\$10), or to enquire about your Scheme membership in general.

Please quote your identity number when contacting Datacom.

Free phone: 0800 628 776 between 8.30 am and 5.00 pm, Monday to Friday.

Phone: (04) 381 0600

Post to:

The Manager
National Provident Fund Administration
Datacom Connect Limited
P O Box 1036
WELLINGTON 6140

Email: npfenquiries@datacom.co.nz

If you would like to know more about NPF in general, or if you would like to view or download a copy of the Scheme's full financial statements rather than receive a copy in the mail, please visit our website – www.npf.co.nz.

You may contact the Board by writing to:

The Chief Executive
Board of Trustees of the National Provident Fund
Level 12, The Todd Building
95 Customhouse Quay
WELLINGTON 6011

Auditor: Silvio Bruinsma, Deloitte Limited, on behalf of the Auditor-General

Actuary: Christine D Ormrod, PricewaterhouseCoopers Consulting (New Zealand) LP

Bank: Bank of New Zealand Limited

Custodian: JPMorgan Chase Bank, N.A.

Solicitor: DLA Piper New Zealand

There were no changes to the Actuary, Bank, Custodian or Solicitor during the year.