

Annual Report
2022

nasfund 
Ready for tomorrow

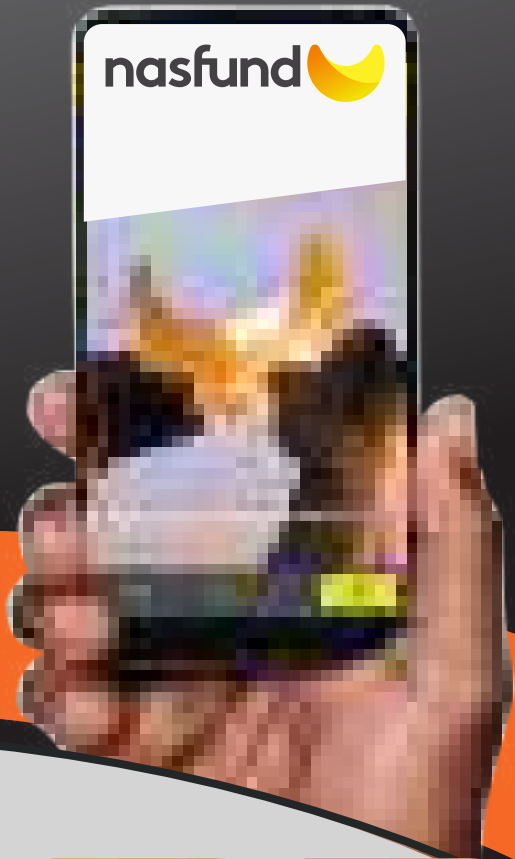


20th
2002 - 2022
Anniversary

Nasfund MOBILE APP

“Your everyday enquiries
made easier online”

- Check Member information
- Housing advance eligibility
- View Beneficiaries Listing
- Account Summary
- Track Contribution history



Welcome



Setting up



Registration



Security



Balance



Menu Screen

HOW TO REGISTER

Step 1. Fill out the Member Online Form (MOL) and email to online@nasfund.com.pg (You will be informed via same email once registered).

Note: The mobile number you provide must be used when registering onto the app.

Step 2. Use your mobile phone to install the Nasfund app from Google Play or Apple Store.

TO ACTIVATE

Step 3. Open App and follow prompts

Step 4. Select "Next" option

Step 5. Select "Continue" option

Step 6. Select "Register"

Step 7. Insert token number sent to your mobile phone

Step 8. Register 4 Digit PIN

You are Now Activated, Login with your User ID & New Password.

SCAN QR CODE



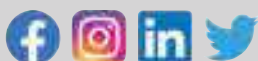
Call Nasfund Call Center on 1588 for assistance

Benefits:

- Download Nasfund Mobile App for free
- Secured access to real time balance
- Access anytime, anywhere
- Download Member Statement

Contact us:

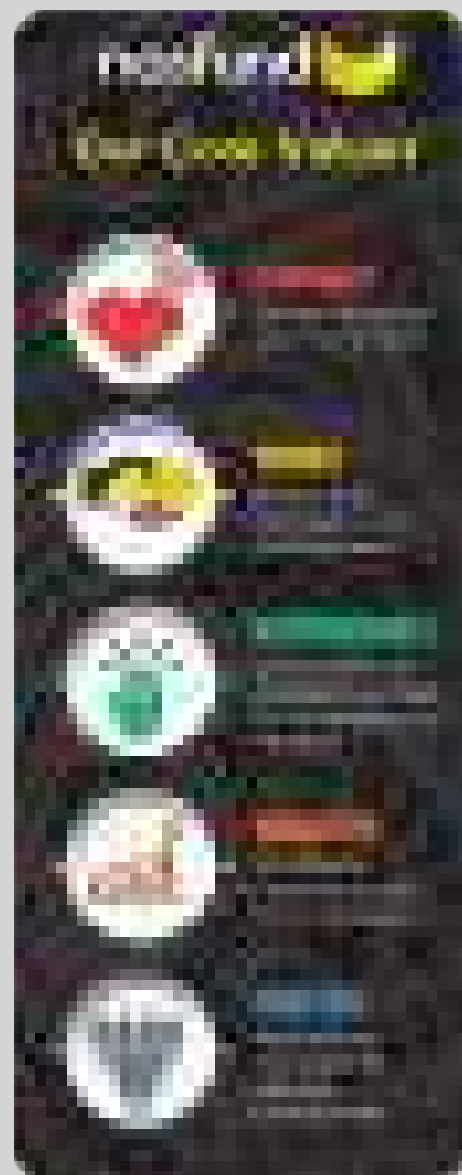
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Cover Brief:

The Papua New Guinean men stand tall and proud on their canoe, with one foot firmly planted on the wooden deck and the other balancing on the edge of the canoe depicting the staff commitment to the Fund.

The canoe itself is made of a robust wood with a long, narrow shape which allows it to glide through the water with ease, indicating the Fund's Prudential Standards and Ethical Management Processes.

A vibrant sail is raised on a tall mast, catching the wind and propelling the canoe forward. The woven sail depicts the rich cultural heritage of the 4 regions being unified with intricate 3D designs, which represents the Funds progress with technology & innovation.

Ready for tomorrow



ENHANCING MEMBER EXPERIENCE THROUGH BRANCH UPGRADES IN 2022.

In 2020, Nasfund embarked on upgrading all branches throughout Papua New Guinea.

By end of 2022, we have completed office upgrading and rolled out the new branding across 10 branches and 3 service centres.

VISION

“Our members trusted superannuation fund, providing quality services and financial security.”

MISSION

“We will provide world-class member services using innovative systems and technologies.

We will also grow member retirement savings using a balanced fund portfolio to achieve a return above CPI over a rolling 5-year period.”



REBRAND

nasfund

Vision Statement

“Our members trusted superannuation fund providing quality services and financial security.”

Ready for tomorrow

Vision, Mission & Values

VISION

“Our members trusted superannuation fund, providing quality services and financial security.”

MISSION

“We will provide world-class member services using innovative systems and technologies.

We will also grow member retirement savings using a balanced fund portfolio to achieve a return above CPI over a rolling 5-year period.”

CORE VALUES



CONNECT

We are connected with our members



TRUST

We are open, transparent and communicative



GROWTH

We strive to maximize returns for our members



RESPONSIBLE

We act within the standards and laws for the benefit of our members



INSPIRE

We empower our people as capable professionals

Our Board



**Tamzin Wardley, LM, MBE
Chairwoman**

Tamzin joined the Board on the 1st of January 2017 as an Independent Director and had been Chair of the Investment Committee until she was elected Chairwoman in October 2022.

Tamzin is a PNG citizen and has over 30 years' experience across a broad range of commercial enterprises. As a finance and governance professional she also sits on the Boards of Westpac PNG Ltd, Water PNG Ltd and Buk Bilong Pikinini Inc.

She currently works with the Australia Papua New Guinea Partnership Programme in a corporate advisory role with the National Museum.

Tamzin is also very active in PNG sports governance, finance and inclusivity, having sat on a number of sporting organization boards, including the PNG Olympic Committee and the Pacific Games Council.

Tamzin holds a Bachelor's Degree in Accounting from the University of Queensland and is a Chartered Accountant. She is also a fellow of the PNG Institute of Directors and is a Graduate of the Australian Institute of Company Directors (GAICD).



**Anthony Yaueib
Deputy Chairman**

Anthony joined the Board on the 24th of February 2020 as an Independent Director and is Chair of the Audit and Risk Committee. He was elected Deputy Chairman of the Board in October 2022.

He served as Deputy Secretary for Economic and Fiscal Policy with the Department of Treasury until 2015. He was Macroeconomic and Fiscal Policy Advisor with the Office of the Deputy Prime Minister & Minister for Treasury until 2018.

An economist by profession, Anthony holds degrees in Economics from the University of Buckingham and Oxford University, both in the United Kingdom.

He has sat on a number of the public sector Boards including Independent Public Business Corporation of PNG, Ok Tedi Mining, Investment Promotion Authority and Civil Aviation Authority in ex officio and alternate director capacities.

Anthony was previously an independent Director on BSP Life (PNG), and was the President of Papua New Guinea Institute of Directors.



**Charles Vee
Director**

Charles joined the Board on the 14th of July 2016 as an Independent Director and has served on the Board as Remuneration and Nomination Committee Chair, Deputy Chair and was Board Chairman from June 2019 to October 2022.

He remains on the Board as an Independent Director.

Charles runs his own Architectural and Project Management Consultancy Firm and has over 25 years experience in the Infrastructure Development Sector.

He has vast experience in property development, building construction and infrastructure project management.

He has a Bachelor's Degree in Architecture from the Papua New Guinea University of Technology and a Master's Degree in Project Management from the Queensland University of Technology.

Charles is a Graduate of the Australian Institute of Company Directors (GAICD) and a professional Member of the PNG Institute of Directors.

Our Board



Leon Buskens
Director

Leon joined the Board on the 1st of January 2018 and is a representative Director for the PNG Chamber of Commerce and Industry. He is a member of the Investment Committee and also the Audit and Risk Committee.

Leon has a wealth of experience in the superannuation industry spanning 22 years, including a period where he was Managing Director of Nambawan Super Limited (previously POSF) from 2002 - 2011.

He is currently Country Manager of Santos Limited in PNG. Prior to that, he was the Country Chairman since 2012. He sits on the Boards of SP Brewery, National Football Stadium, Santos Foundation, Gazelle International Hotel and Kopkop College, and is Chairman of Investment Promotion Authority of PNG.

Leon is a business graduate from the Papua New Guinea University of Technology and has a Masters of Business Administration from the Royal Melbourne Institute of Technology.

He is a professional Member of the PNG Institute of Directors (PNGID), Australian Institute of Company Directors (AICD) and a Council member of the PNG Chamber of Resources and Energy.



Kepas Wali
Director

Kepas joined the Board on the 1st of January 2018 as a representative Director of the PNG Trade Union Congress. He is a member of the Remuneration and Nomination Committee and also the Audit and Risk Committee.

He has held various senior management positions within public and private sector in PNG, including Managing Director for PNG Ports Corporation Limited and the Mineral Resource Authority.

He also sits on the Boards of Morobe Exploration Limited, Morobe Consolidated Gold Fields, Harmony Gold Exploration Limited and Wafi Mining Limited.

Kepas is currently the Executive General Manager - Stakeholder Relations & Corporate Affairs for Harmony Gold PNG Ltd. He is also the Chairman of the Board of PNG Ports Corporation Ltd.

He holds a Bachelor of Science Degree from University of Papua New Guinea and a Post Graduate Diploma in Petroleum Engineering from Tulsa, Oklahoma, USA.



Michael Murphy
Director

Michael was appointed to the Board on the 11th of July 2019 as an Independent Director. He is the Chair of the Investment Committee and a member of the Membership Committee.

He currently runs his own superannuation and actuarial consulting firm.

Michael is a qualified Actuary, with over 40 years of superannuation and consulting experience with Aon (most recently as an Asia/Pacific Partner), Mercer and AMP.

He also has over 15 years of experience on superannuation trustee boards in both Australia and PNG.

Michael was a Trustee director of the Aon Master Trust in Australia for 14 years from 2003 to 2017.

He was also a Trustee director of the Aon Master Trust (PNG) from 2007 to 2018.



**Florence Willie
Director**

Florence joined the Board on the 1st of January 2019 as the representative Director of the Employers Federation of Papua New Guinea (EFPNG).

She is the Chair of the Membership Committee and a member of the Audit and Risk Committee.

She is the Executive Director of the EFPNG and has served for 14 years in that capacity.

Florence is a lawyer by profession and started her career with the law firm Blake Dawson Waldron (now Ashurst Lawyers).

She is a member of the EU-ACP follow-up Committee, the National Skills Development Agency, the National Training Council, the National Apprenticeship and the Trade Testing Board and National Tripartite Consultative Council.

She has extensive experience in human resources management, industrial relations and labour and employment law.

Florence is highly regarded in the sector and is also involved in negotiations between industry and the unions.

Florence holds a Bachelor of Laws from the University of Papua New Guinea. She is a Member of the PNG Law Society, a Fellow of the PNG Human Resource Institute, A professional Member of the Papua New Guinea Institute of Directors and a Member of the Australian Institute of Company Directors.



**Julienne Leka-Maliaki
Director**

Julienne was appointed as an Independent Director to the Board on the 10th of September 2020. She is the Chair of the Remuneration and Nomination Committee and a member of the Investment Committee.

She is currently Deputy Team Leader of an Australian Government infrastructure programme, the Incentive Fund. Her previous employment includes seven (7) years working for the Australian Government's Economic Partnership Program at the Australian High Commission and eighteen (18) years working for PNG Investment Promotion Authority.

She has twenty six (26) years of experience in development cooperation, public policy management, trade and investment facilitation, rural and agriculture development, corporate governance and private sector development.

Julienne also has an active role in civil society and sports governance and was the past President and Chair of the PNG Netball Board, and was a Commissioner of PNG Sports Foundation.

Julienne holds a Bachelor in Business Management, majoring in Strategic Management and Public Policy Management from the University of PNG. She is a member of the PNG Institute of Directors and a member of the Australian Institute of Company Directors.



**Christopher Elphick
Director**

Christopher joined the Board on 1 October 2022 as an Independent Director. He is a member of the Remuneration and Nomination Committee and the Investment Committee.

He is also currently the Deputy Chairman of Nasfund Contributors' Savings & Loans Society, (NCSL).

He is also the Executive Director of local PNG retailer Tohouwa (PNG) Ltd Trading as FairPrice and is a Director of Trading Company Natu Investments (PNG) Ltd.

Christopher is a member & Director of Transparency International PNG, a founding member and Treasurer of the Young Professional Network of PNG Inc. and an active member of the Badili Club.

Christopher holds a Bachelor of Science (BSc) in Business Management from the University of Surrey, UK, with majors in Marketing and Management. He is an alumni of the United World College of South East Asia.

Christopher is a proud graduate of the Nasfund Trainee Directorship Program 2014 cohort.

He is a member of the PNG Institute of Directors and the Australian Institute of Company Directors.

Our Board



George Panao
Director

George joined the board on the 24th of February 2020 as an Independent Director and was Chair of Remuneration and Nominations Committee and a member of the Membership Committee until his resignation on the 31st of May 2022.

He is currently Head of External Affairs at British American Tobacco (PNG).

George is an Accountant by profession and has held senior positions in Marketing and Corporate Affairs.

George has served on a number of public and private sector Boards including Water PNG, Solomon Islands Tobacco Company, and is a director of the Manufacturers Council of PNG.

George's holds a Bachelor of Commerce Degree from the University of Papua New Guinea (UPNG), Masters in Business Administration from University of New England (Armidale, NSW) and is a member of the Chartered Practising Accountants of PNG and Australia.



Flare Namaliu
Trainee Director

Flare was appointed as a Trainee Director to the Board in July 2021 as part of the Nasfund Young Trainee Director's Program. She serves as a member of the Investment Committee.

Flare is an ICT professional with over 5 years of experience in the Papua New Guinea (PNG) ICT sector. Her expertise lies in the areas of Networking, Cyber Security, and Cloud Technology, spanning both the Telecommunication and Information Technology domains.

She attained a Masters in Information & Communication Engineering from the Harbin Engineering University of China in 2018. She is expecting to complete her Executive Master of Business Administration (Exec MBA) from the University of Papua New Guinea (UPNG) in 2023.

Flare holds a Bachelor of Science Degree, in Physics from UPNG.

She started her career with Huawei Technologies (PVT) Limited and then to Connected PNG Limited as a Product Manager and Technical Solutions Specialist respectively.



Ritchilyn Barrios
Trainee Director

Ritchilyn was appointed as a Trainee Director to the Board in July 2021 as part of the Nasfund Young Trainee Director's Program. She serves as a member of the Membership Committee.

Ritchilyn holds the position of Acting General Manager of Human Resources (HR) at Air Niugini. She has been with the company since June 2018, initially serving as the Executive Manager of HR Services.

She has a Bachelor of Arts Degree, from the University of Papua New Guinea (UPNG). She also holds a Masters in Human Resource Management from UPNG/ PNGHRI, where she graduated as dux of her class. She also completed a Graduate Certificate in Leadership from the University of South Australia through the Australian Awards Scholarship Program.

Ritchilyn has also been active in the social impact space having contributed for the National Council of Women PNG, PNG Children's Foundation, and the NCD Provincial AIDS Committee.



Austin Edo
Trainee Director

Austin was appointed as a Trainee Director to the Board in July 2021 as part of the Nasfund Young Trainee Director's Program. He serves as a member of the Audit and Risk Committee.

Austin is currently a Senior Associate with the Litigation Business Unit at Ashurst PNG.

Prior to joining Ashurst PNG, he held the same role with Dentons PNG from May 2017 to June 2018.

Austin obtained his Bachelor of Laws Degree from the University of Papua New Guinea, (UPNG) in 2005.

In 2009, he pursued further legal education at the Legal Training Institute before being admitted to practise law.

Austin also holds a Master's Degree with Merit in International Maritime Law, from Swansea University in the United Kingdom.

Our Executive Leadership Team



Ian A Tarutia, OBE
Chief Executive Officer

Ian has been CEO since the 1st of November 2011 and previously Joint CEO from July 2007. He joined the Fund in December 1987 and is a career officer with over 34 years with the Fund, 20 of which has been at management level prior to his appointment as CEO.

Ian played an instrumental role in implementing major reforms within Nasfund on the back of legislative changes to the Superannuation Industry in 2002.

In 2003 Ian established the Nasfund Contributors Savings & Loans Society (NCSL) to provide savings and loans services to Nasfund members. Today, NCSL is the largest savings & loans society in PNG and the Pacific by membership size. He still serves as Chairman of the Board.

Ian is a Harvard Business School Alumni having completed the HBS Advanced Management Program 185 in 2013. He holds a Masters of Business Administration, Bachelor of Business Economics from the University of Papua New Guinea, Diploma in Economic Policy Analysis from PNG NRI, Diploma in Financial Markets from the Securities Institute of Australia and Diploma in Company Directors Course from Australian Institute of Company Directors.

Ian is a Fellow of the Papua New Guinea Institute of Directors and a Fellow of the Australian Institute of Company Directors.



Rajeev Sharma
Chief Operating Officer

Rajeev joined Nasfund on the 16th of October 2014 as the Chief Financial Officer until his appointment as Chief Operating Officer in February 2022.

With over 30 years of experience of working with big corporates, multinational companies and financial institutions, Rajeev has held senior roles in PNG since 2002, as well as in India and Middle East.

Rajeev holds a Bachelor's Degree with Honours in Commerce from Delhi University, India.

He is recognised as a Chartered Accountant with memberships on CPA PNG, India and Australia.

Rajeev is a graduate of Australian Institute of Company Directors, and a member of Papua New Guinea Institute of Directors.



Anne Wilson
General Manager Employer & Member Services

Anne joined Nasfund on the 18th of May 2020.

Before joining Nasfund, she was Head of Superannuation Services at Aon Master Trust, another Approved Superannuation Fund in PNG. Prior to this, she was head of the Aon Hewitt Fund Administration, who were Fund Administrators for Nasfund from May 2002 until June 2017.

She has a wealth of Fund Admin and leadership experience, which aligns with Nasfund's strategic objective of enhancing our outsourced Fund Administration relationship.

Anne holds a Master of Business Administration from the University of Papua New Guinea, a Bachelors Degree in Business from Southern Cross University, Australia (Affiliated to IBS) and a Diploma in Accounting from University of Technology.

Our Executive Leadership Team



Fiona Nelson
General Manager Investments

Fiona joined Nasfund on the 17th of August 2020.

Prior to joining the Fund, she was the General Manager PNG Commercial, and former Vice President of Oil Search Asset Strategy.

Fiona has over 15 years of experience in financial economics, public policy and portfolio management.

She has worked with PacWealth Capital as Head of Investments, and with Kumul Consolidated Holdings (KCH) as Senior Portfolio Manager.

Fiona holds a Bachelors Degree in Business Economics from the Massey University, New Zealand and a Masters of Science in International Economics and Public Policy from Cardiff University, United Kingdom.



Vincent Lialu
General Manager Talent & Culture

Vincent joined Nasfund on the 23rd of January 2017 as Chief Officer Human Capital.

He is a qualified HR Professional with 17 years experience in managing a full spectrum of Human Resources, Learning & Development, Talent and Change Management.

Vincent is responsible for developing and implementing an organization-wide human resource strategy that aligns with the Fund's strategic vision.

Prior to joining Nasfund, Vincent served as HR Manager with Puma Energy PNG. He began his career with SP Brewery Limited as a Graduate Trainee before making a career transition to British American Tobacco (PNG) Limited as HR Business Partner.

In 2012 Vincent was appointed as HR Manager with InterOil Limited Refinery before the acquisition by Puma Energy in 2014.

Vincent holds a Bachelor of Arts Degree from University of PNG and is a member of Australian Human Resource Institute, PNG Human Resource Institute and PNG Institute of Directors.

Vincent is most passionate about strategic people leadership agenda and HR transformation programs that adds value to its employees and business.



Seema Dass-Raju
General Manager Risk & Compliance

Seema joined Nasfund on the 7th of March 2017 as Chief Risk & Compliance Officer.

Prior to joining Nasfund, Seema worked across a multitude of sectors predominantly in the financial and aviation sector.

Her experience includes Risk Management, Internal Audit, Corporate Governance, Financial Accounting, Management Accounting and Advisory roles.

Seema holds a Bachelor of Commerce Degree in Human Resource Management and Post Graduate Diploma in Accountancy from Auckland University, New Zealand and Masters in Business Administration (MBA) from Southern Cross University, Australia. She is also a graduate of Australian Institute of Company Directors.

Seema is a member of the Corporate Governance Institute of Australia, Australian Institute of Company Directors, Papua New Guinea Institute of Directors and Risk Management Association of Australia.



**Doris Gedare
Company Secretary**

Doris was appointed as the Company Secretary on the 01st of November 2020, after serving as Manager Legal since the 20th of October 2014.

She has over 25 years' experience in the legal fraternity, having experience in litigation and commercial law in various private law firms, starting her career with Blake Dawson Waldron (now Ashurst Lawyers).

Before joining Nasfund, Doris worked at Steamships Trading Company Ltd for eight years and prior to that, she had a 3 year stint with the Department of Treasury.

Doris holds a Bachelor of Laws Degree from the University of PNG, Master of Law from Monash University, Melbourne, Australia and a Master in Business Administration from the Divine Word University.



**Arua Taravatu
General Manager
Information Technology
& Innovation**

Arua joined the Fund on the 4th of February 2019 as Manager Information Technology. After a 6-month acting period, he was appointed General Manager Information Technology & Innovation on the 1st of August 2022.

Arua has a strong background in network engineering and solution architecture, having led multi-disciplined, technical teams and initiatives, from conception to implementation.

He commenced his career with Data Nets (now a Digicel business) in 2005, followed by 8 years at Telikom PNG holding leadership roles in ISP Operations, Core Internet Protocol (IP) Services, and Fixed & IP Architecture.

Arua holds a Diploma in ICT from the Waikato Institute of Technology, New Zealand, a Bachelor of Management from the Divine Word University, PNG, and an Master in Business Administration from the University of Illinois, USA.



**Judah Waffi
Head of Special Projects**

Judah was appointed Head of Special Projects in April 2021 after heading the Investment Division from January 2020, initially as Acting Chief Investment Officer and then Joint Chief Investment Officer.

Over a span of 17 years Judah has held various Investment Advisory and Senior Management roles, having worked with Bank of PNG, BSP Capital, PNG Ports Corporation, MRL Capital, National Airports Corporation and Kina Securities.

He is also the Founder of Madang Cocoa Company Limited, a cooperative based cocoa export company operating in Madang Province since 2018.

Judah has all-round experience in financial markets and investment management, business development, marketing and communications, project management, transport and infrastructure management, agriculture and land-owner businesses.

He holds a Bachelor of Economics from the University of Papua New Guinea and is a member of the Papua New Guinea Institute of Directors and an Associate Member of the Financial Services Institute of Australasia.



**Turaho Morea
Head of Strategy and
Implementation**

Turaho joined the Fund in 2004 and was instrumental in establishing the Marketing & Client Relations Division. The division's functions grew from driving marketing strategies and advertising projects to developing successful membership growth initiatives.

Turaho was later appointed GM Corporate Services, overseeing operations and the Fund's branch network.

He was part of the management team for nine years before resigning in 2013 to start his own media company.

Turaho is a journalist by profession and was also a television news anchor for 11 years.

Turaho was re-employed by Nasfund on the 11th of February, 2019, for his vast experience in the superannuation industry to drive and implement strategic objectives of the Fund's five-year Corporate Strategy.

Chairwoman's Statement

Tamzin Wardley, LM, MBE
Chairwoman



I am delighted to present the statement for our 20th anniversary report as Nasfund. The journey of growth of your Fund over the last 20 years should be widely celebrated.

The extraordinary measures taken back in 2000 to modernize our country's superannuation industry resulting in the birth of Nasfund in 2002 have driven significant impact across our sector and the industry stands today as a pillar of strength and an example of what can be achieved here in PNG.

Behind this success stand the Board, management team and staff that have been serving Nasfund for the last two decades.

At our anniversary, it is important that we acknowledge the work and dedication that has gone before that raised us to our status.

It is extremely fitting that I take this opportunity to pay homage to Ian Tarutia, in his retirement from Nasfund and our precursor, The National Provident Fund, after 34 years of service. Ian has dedicated his working life, so far, to the industry, and we wish him well in his new endeavours.

Your trusted Fund has grown to now have over 653,754 members, 3,020 employers, and a net asset base of over K6.3 billion. We service our members through a network of 18 branches across the country and are proud of our new capacity to deliver a variety of online services to our members.

Our forward strategy for connection with our members has a strong focus on technological solutions but we also recognise our members who prefer to visit us at our branches and our popular mobile stalls.

In 2022 we completed a branch upgrade program across 10 branches and 3 service centers.

Nasfund and the superannuation industry as a whole largely reflects the state of the economy locally and even globally. We are impacted by the downturns and upturns of a number of external events and are not immune from their impacts. We are an integral part of the PNG economy and your Board is very conscious of the responsibility this places on them to ensure we deliver a solid return to your superannuation savings on a long term basis.

In retirement we are all looking for stability and growth, the Nasfund investment team is working to ensure the investments we hold are all delivering the required returns.

Nasfund is also part of the community that we all work within. We are privileged to be working with a number of organisations that further our goals and values, including the PNG Institute of Directors and Buk Bilong Pikinini, both developing and inspiring our future leaders, though at very different stages of their development.

In 2022 Nasfund adopted five values selected by our staff. These values are all about how we inspire and work for each other and reflect our determination to connect with and be trusted by our members as we responsibly deliver the growth of your savings. We look forward to working with you all as we share these values in all that we do.

On behalf of the Nasfund Board, I thank the Nasfund team for their ongoing dedication and efforts in ensuring that our Fund continues to strengthen and grow in resilience to outside disruptions. I also thank our Board members whose commitment to the Fund and our members is second to none.

Sincerely,

Tamzin Wardley, LM, MBE
Chairwoman



CEO's Statement

Ian A Tarutia, OBE
Chief Executive Officer



Dear Members & Employers,

In my closing remarks of our 2021 Annual Report, I informed that we anticipated our economic environment to remain a challenge in 2022. This was on the back off falling investment returns as a result of Governments' new 45% tax levy affecting BSP dividend payments, a significant performing investment, declining short-term Treasury bill rates, a subdued property market resulting in higher than usual vacancies and currency fluctuations affecting our international portfolio.

Moreover, the much-awaited resource projects such as Papua LNG, Wafi Golpu and Porgera Mine reopening to kick start our economy did not eventuate as expected.

Secondly, I informed we would focus on managing what we could control and influence to achieve growth across key performance indicators set by our Board. I am pleased to report, the hard work of management and staff paid off. We capped off a productive year in 2022.

Cash income increased by 4.6 % from budget. Expenses were lower by 1.35 % and net profit over budget by 8.36 %. Contribution receipts from employers exceeded budget by 8.7%. Membership grew by 2.8% to 653,754 contributors, while employer base grew by 6.5% to 3,020 establishments.

Consequently, net asset value of the Fund increased by 6.05% to K6.3 billion while net profit of K256 million was recorded. This translated to a crediting rate of 4.3% for the 2022 financial year and equating to over K262 million credited into over 650,000 member accounts.

Other performance indicators compared to 2021 were:

Performance Indicators	Year 2022	Year 2021
New Members Registered	64,305	52,625
New Employers Registered	392	137
Total Membership Base	653,754	622,938
Total Employer Base	3,020	2,700
Default Employers	19%	25%
Total Contributions Received	K648 million	K589 million
Total Withdrawals Paid	K547 million	K586 million
No of Transactions	86,394	91,995
Member & Employer Engagements	4 regional conferences – NCD, Lae, Goroka, Kimbe	1 online conference – 9,234 participants
Shop Floor Presentations	771 – covering 31,457 participants	961 – covering 36,299 participants
Total Asset Value	K6.35 billion	K6.0 billion
Net Asset Value	K6.3 billion	K5.94 billion
Total Income Before Tax	K306 million	K430 million
Total Expenses	K72 million	K63 million
Net Profit After Tax	K256 million	K363 million
Annual crediting rate (Interest) paid to Members	4.3%	6.5%
Kina Value paid to Members	K262 million	K354 million

CEO's Statement

Member and Employer Services

With the removal of Covid-19 restrictions on travel and public engagement, our interaction with members, employers and key stakeholders throughout the country ramped up. We conducted four regional Member / Employer conferences in NCD, Lae, Goroka and Kimbe while convening 771 shop floor presentations covering over 31,000 members at various employer sites throughout the country.

Our targeted Economic Sector engagements aimed at capturing voluntary savings under our Eda Supa facility was further enhanced with the signing of a MOU with the National Fisheries Authority to promote superannuation in the fisheries sector. Data on hand reveals people in our informal sector, especially in fisheries, oil palm, vanilla, small scale alluvial mining have the propensity to generate strong cash income, but money earned is not being captured in the formal banking or financial system. This is where our Eda Supa savings facility offers a feasible option. On this note, it was pleasing to register 4,017 new members as voluntary Eda Supa contributors, bringing our Eda Supa membership to over 37,300 contributors with over K74 million in superannuation savings.

Our branch upgrade program continued in 2022. We opened our new flagship branch in Waigani, the largest of all our branches throughout the country, our new Port Moresby branch in the Face Building and our second Service Center in Lae. Despite availability of our digital online member and employer portals, a large segment of members especially in high traffic centers of NCD and Lae prefer to talk face to face with staff. We acknowledge and respect our members' wishes hence the extensive and modern branch network we have built or refurbished in 17 provinces to bring services closer to members in comfortable, modern settings.

As a value added service, we also partnered with the Bank of PNG's Centre for Excellence in Financial Inclusion (CEFI) to rollout financial literacy training to Nasfund members with the objective of providing counselling on utilizing superannuation payments wisely.

Payments on grounds of unemployment (full or partial) followed by housing advance payments continue to be the Fund's largest withdrawal categories constituting over 80% of total payouts to eligible members.

Finance & Investments

The Funds posture to focus on cash yielding assets paid off with an 8% above budget cash income of K306 million for the year. This mitigated forex and valuation losses culminating in final profit after tax of K256 million. Fund expenses were managed below budget at K74 million while K49 million was paid in Corporate Tax.

While our investment team were busy assessing an array of proposals against our risk return objectives and strategic asset allocation guidelines, overall appetite has been defensive. This is prudent given the challenges of a distressed economy exacerbated by global events beyond our control. On a brighter note, the Nasfund led consortium made an offer to the State via Kumul Consolidated Holdings (KCH) for the much publicized partial privatization of Telikom, a major state owned enterprise. The offer is still under deliberation by KCH at the publication of this report.

Overall, the Fund's investment portfolio grew by 6.05% to K6.3 billion in net assets.

ICT & Innovation

A highlight of our operations was the elevation of the Information Communication Technology section to a division on its own and the promotion of Arua Taravatu as the first divisional General Manager. This was aligned with the Board's strategic plan of driving innovation as an enabler to improve business processes and services across the many facets of the Funds operations. A key deliverable was approval of the Digital Transformation Strategy Framework, to guide the Fund's future aspirations in the digital space.

Industry and Regional Engagement

The ever contentious taxation issues on superannuation were again at the fore of public discussions in 2022. The Fund led the superannuation industry's response to Government's Dominant Industry Player Levy later Market Levy which essentially was an emphatic objection. Further our views of removing tax on superannuation entitlements was well supported by the Constitutional Law Reform Commission at its workshop convened along with other relevant State agencies including Dept of Treasury and the Internal Revenue Commission. We will continue our advocacy for a no tax or better tax outcome for our

membership as long as there is no other State provided social security scheme provided for workers in PNG.

We also participated in the Independent Advisory Group review on Bank of PNG and provided comments pursuant to the TOR.

On the regional front, we will host the 4th Pacific Island Investment Forum (PIIF) in March 2023 in partnership with Nambawan Super. PIIF is an organization of superannuation funds, provident funds, unit trusts and sovereign wealth funds of the Pacific whose primary objectives are to find bankable investments throughout the Pacific that not only serves members best interests, it satisfies each respective Fund's risk return profile and contributes to nation building.

Board and CEO

A number of movements occurred at Board level throughout the year. In May, Mr George Panao resigned as a Director. In October, Deputy Chair Ms Tamzin Wardley was elected as Chairwoman after Charles Vee stepped down as Chairman. Anthony Yauieb, was elected Deputy Chairman. The change in leadership has been smooth and without disruption to the governance and oversight of the Fund.

This is also my last report as CEO as I retire on the 31st March 2023 after 15 years in this role and 35 years overall with the Fund. I have seen the Fund grow from strength to strength especially since 2000, the year of the Mekere Morauta reforms. Over the last twenty years we have delivered consistent profits for members, introduced innovative products and brought services close to our 650,000 members in 17 provinces throughout PNG. We have not failed members and I am proud of this fact. Today the Fund is a K6.3 billion organization and a trusted brand in not only Papua New Guinea but throughout the Pacific. It has been a rewarding career, the Fund is in a very strong and stable position, my mission has been accomplished. I leave with pride at where the Fund is today and its promise for the future.

I also take this opportunity to congratulate my successor, former Chief Operating Officer, Rajeev Sharma who has been appointed by the Board as the next CEO for Nasfund. He has my blessings and I wish him every success as he take over the reign to lead Nasfund to greater heights for the benefit of our valued members.

Outlook for 2023

Outlook for 2023 is promising with the announcement of the Total Energies FEED phase of the Papua LNG project .If Wafi-Golpu Mine comes on line and Porgera Mine reopens, economic recovery for the country looks bright. We need this right now.

In conclusion I would like to thank the former Chairman Mr. Charles Vee and the Nasfund Board for the support and guidance over 2022. I also congratulate Ms Tamzin Wardley on her appointment as Chairwoman. Our key stakeholders, regulator Bank of PNG, investment manager BSP Capital, Kina Fund Administrator and Ashton Brunswick our property managers, it has been an absolute pleasure working with you.

It takes teamwork to build a great organization. I am very grateful to the hardworking staff and leadership team who at times have worked long hours to deliver the final results for 2022. I know the Nasfund team will continue to make a positive difference for members, where it matters the most, to be ready for tomorrow.

Thank you.



Ian A Tarutia, **OBE**
Chief Executive Officer

2022 Year in Review

K6.35b

Gross Assets
PGK Billion

K6.3b

Net Assets Value
PGK Billion

K256m

Net Profit
PGK Million

4.3%

Annual Crediting
Interest Rate

K262m

Annual Crediting
PGK Million - paid into members
accounts

K1.3b

Interest paid to members
over 5 years
PGK Billion

Quarter 1 Highlights (Jan-Mar)

- Employer Awards Engagement 2021.
- Executive Management Leadership Workshop.
- Renewed Sponsorship for FM100 Talkback.
- Appointment of Chief Operating Officer and revised organizational restructure.
- Brand Ambassador engages with members
- International Women's Day (IWD) 2022 observed
- Announcing of 2021 Full Year Results
- 4 Regional Employer Conferences hosted

Quarter 2 Highlights (Apr-Jun)

- MoU with CEFI for Financial Literacy Training
- MoU with Fisheries for Eda Supa onboarding
- MoU with Remington for Membership Discount Program (MDP) partnership
- Celebrated 20 Years Anniversary as Nasfund
- MoU with Loloata Island Resort for MDP partnership



K648m

Contribution Receipts
PGK Million

K547m

Withdrawals paid
PGK Million

86,394

Number of Transactions
Withdrawal payouts by member

653,754

Total Membership

3,020

Total Employers

392

New Employers Registered

4

Regional Employer Conference
NCD, Lae, Goroka & Kimbe

771

Shop Floor Presentations
Member Engagements

31,457

Shop Floor Participants
Member Engagements

Quarter 3 Highlights (Jul-Sep)

- MoU renewal with PNG Air for MDP partnership
- Registration of 200 landowner companies in Lihir island to contribute to superannuation.
- Officers undertake CEFI training for Financial Literacy
- Nasfund Opens Lae Service Centre
- Nasfund Opens New-Look Member Service Centres in Waigani and Downtown, Port Moresby.
- Nasfund participates in Unitech Career Fair in Lae.
- Nasfund participates in Mona Festival in Buka, Autonomous Region of Bougainville

Quarter 4 Highlights (Oct-Dec)

- Nasfund participates in the 59th Morobe Show
- Nasfund signs MDP MoU with Capital Insurance Group
- Nasfund Board announces new appointments in Tamzin Wardley, LM MBE, as new Chairperson and Anthony yaueib as Deputy Chair.
- Nasfund Renews Partnership with PNG Cancer Foundation
- Nasfund Partners with ChildFund's 1-Tok Kaunselin lain
- Nasfund participates in 16th PNG Mining & Petroleum Investment Conference
- Nasfund CEO Ian A Tarutia, OBE announces his Retirement exit.
- Nasfund Board appoints Acting CEO in Rajeev Sharma to assume role in 2023 onwards.



20th Anniversary Milestone

In 2022, the Fund celebrated its 20 years milestone which was achieved through structural reforms of good governance.

Looking back and setting the tone for tomorrow

On May 9, 2002, the Fund was incorporated as a company by the Registrar of Companies, following reforms to the superannuation industry in the early 2000's through the Superannuation (General Provisions) Act 2000.

Since our rebirth as Nasfund, your Fund has continued to perform positively. Positive results across membership growth, member savings, net asset value, and more importantly, return to members each year through our annual interest crediting rate.

From a Balance Sheet of K300 million in 2002, your Fund has grown to a value that now stands at over K6 billion. Similarly, returns to members in the form of interest has also been positive over the last 20 years. This is something to celebrate, especially in the face of challenging economic times in recent years.

During this time, Your Fund has also led the way in innovations that have improved the member experience. Through evolving technology, we were the first to introduce the TextBal service, as well as rolling out our member and employer online platforms – channels that have now become a mainstay of all superannuation providers in Papua New Guinea.

All this has been made possible through the commitment and determination of our Board, Management and Staff in putting members first, every single day.

The Fund in the last 20 years has been built on the foundations of honesty, transparency, integrity and accountability, across all levels of this great organization.

All efforts since the reforms of 2002 have ensured that the retirement savings of all our 653,754 plus members today are safeguarded, and continue to grow, so that our members have peace of mind of a comfortable retirement.



Photo: Chairman (then) Charles Vee, in his keynote address, acknowledging former predecessors for the Fund's success.



Photo: CEO Ian Tarutia, OBE, sharing his early reflections on the Fund's 20 year journey.



Photo: Late Sir Wilson Kamit, as guest speaker, was vocal about establishing good governance reforms that lead to positive changes within the superannuation industry.



Five Year Performance Analysis

Statistical Information	2022	2021	2020	2019	2018
Assets & Liabilities					
Net Asset Value (NAV -K'000)	6,299,651	5,940,241	5,573,689	5,244,847	4,753,895
Growth Rate (%)	6.05%	6.58%	6.27%	10.33%	5.30%
Profitability					
Total Comprehensive Income (K'000)	256,275	363,290	222,961	312,627	158,707
Interest Credited to Members' Accounts	4.3%	6.5%	4.5%	6.3%	3.5%
Reserves (% NAV)	0.04%	0.17%	0.18%	0.57%	0.30%
Employers & Active Members					
Number of Active Employers	3,020	2,700	2,576	2,797	2,402
Number of Active Members	204,554	191,222	197,824	193,601	193,410
Total Membership Base	653,754	622,938	604,587	584,679	555,133
Balance Per Member (K'000)	9.64	9.54	9.22	8.97	8.56
Expenses					
Total Expenses (K'000)	72,325	62,625	61,908	62,077	62,761
Management Expense Ratio (MER)	1.18%	1.09%	1.14%	1.25%	1.23%
Fund Administrator's Fees (K'000)	9,921	9,199	8,768	7,707	7,999
Investment Manager's Fees (K'000)	6,320	5,673	7,990	6,951	6,724
Number of Full Time Staff	183	163	162	152	152
Cashflows					
Withdrawals (K'000)	546,894	586,114	467,926	383,232	436,870
Contributions (K'000)	648,725	589,376	573,830	561,947	517,865
Number of Members Receiving Benefit Payment	86,394	91,995	93,073	70,650	81,781
Member Returns					
Gross Return to Member	6.29%	7.55%	8.10%	8.80%	5.94%
Net Profit after Tax Return	4.31%	6.54%	4.26%	6.35%	3.62%
<i>Less:</i>					
Transfer to/(from) Reserves	0.01%	0.04%	0.24%	0.35%	0.12%
<i>Equal:</i>					
Crediting Rate to Member	4.30%	6.50%	4.50%	6.30%	3.50%

Benefit of Compound Interest

Compound interest is a fundamental component of wealth creation and by understanding this principle, one can make a significant difference in financial independence.

In simple terms compound interest means that you begin to earn interest on the interest you receive, which multiplies your money at an accelerated rate.

There are two ways to accrue interest: simple and compound. Simple interest is when you earn interest only on the principal. So if you have K1,000 invested at 5% interest, you'll earn K50 every year.

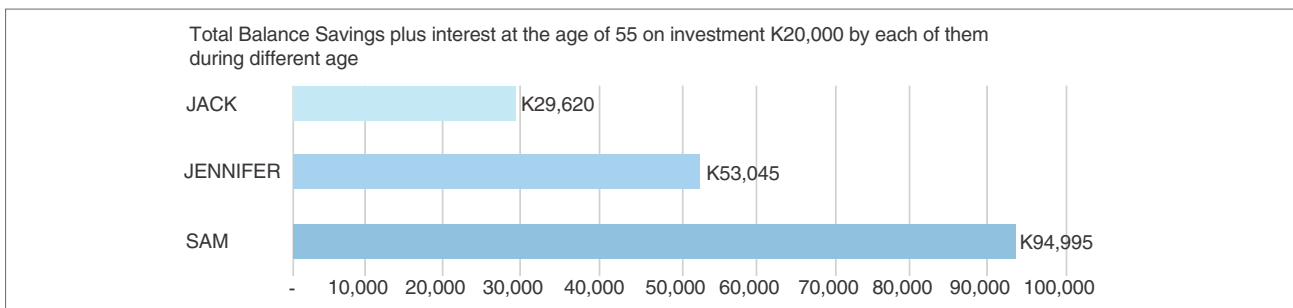
Compound interest is earned on the principal and the interest in your account. This means your interest remains invested and earns interest. Think of this as a cycle of earning interest on interest which can cause wealth to rapidly snowball. In the case of compound interest, you will not only earn interest on K1,000, but also on K50 which is interest income in year one. Total interest income in year one will be K52.50.

“Compound interest is the eighth wonder of the world. Those who understand it... earn it and those who do not... pay it.”

Let us look at the case study given below to understand impact of compound interest. Sam saved K2,000 per year from the time he turned 25 until he turned 35. Then he stopped saving but left his money in his investment account where it continued to accrue at a six percent rate until he retired at age 55.

Jennifer held off and didn't start saving until age 35. She put away K2,000 per year from her 35th birthday until she turned 45. Like Sam, she left the balance in her investment account, where it continued to accrue at a rate of six percent until age 55.

Jack didn't get around to investing until age 45. Still, he invested K2,000 for 10 years, halting his savings at age 55. He also left his money to accrue at a six percent rate until his 55th birthday. Sam, Jennifer, and Jack each saved the same amount — K20,000 — over a 10 year period. Sadly for Jennifer, and even more so for Jack, their ending balances were dramatically different as shown below:



To further this case study, John met Sam when he turned 45 and asked how much would Sam accumulate at the age of 55 years – taking inspiration to save around approximately K95,000. When John turns 55, he found out that he would have to invest approximately K6,800 per year totalling to K68,000 over 10 years from the age of 45 years as opposed to Sam who invested only K20,000 for 10 years during 25 and 35 year of age.

Name	Investments made during			At the age of 55 years	
	25 - 35	35 - 45	45 - 55	Interest Earned	Total Balance
SAM	20,000			74,995	94,995
JENNIFER		20,000		33,045	53,045
JACK			20,000	9,620	29,620
JOHN			68,000	27,000	95,000

To conclude, compound interest rewards people who invest over long periods of time, not necessarily those who can afford to invest the most. It's specifically helpful for young people who start investing early. An investment left untouched for a period of decades can add up to a large sum, even if investing stopped in later years.

Start investing early in life and remain invested for a long time to benefit from the magic of compounding interest.

Corporate Governance

The Board of Nasfund (“the Fund”) is committed to ensuring that the Fund has a strong governance culture throughout the organisation.

Corporate Governance

The Fund is an “Approved Superannuation Fund” (ASF) regulated by the Bank of Papua New Guinea under the Superannuation (General Provisions) Act 2000 and various Prudential Standards.

In addition to its Constitution, the Fund has adopted various policies and procedures, which are reviewed regularly by the Board committees and complement the regulatory framework in ensuring that a ‘best practice’ governance culture is maintained within the Fund.

Board Composition

The Board is chaired by an independent director and is comprised of six (6) independent directors and four (4) shareholder representatives from the following organisations:

- Employers Federation of PNG - Florence Willie
- PNG Trade Union Congress - Kepas Wali
- Manufacturers Council of PNG - To be appointed
- PNG Chamber of Commerce and Industry - Leon Buskens

The majority of the Board is comprised of independent directors in accordance with the Constitution of the Fund and Prudential Standard 7/2012.

Young Trainee Directors Program

Initiated in 2007 the program provides three (3) applicants the opportunity to experience first hand boardroom dynamics, board protocol, good governance and in general understand the role of a director. This program is for a period of two (2) years.

Board Committees

The Board has four committees. Each committee carries out its roles and responsibilities pursuant to their respective charters and report to the Board.

The Committees are:

- Investment Committee
- Audit & Risk Committee
- Remuneration & Nomination Committee
- Membership Committee

Investment Committee

The Investment Committee (IC) is responsible for:

- Making appropriate recommendations to the Board on investment proposals from the Licensed Investment Manager (LIM) and the Funds internal Investment Division.
- Reviewing the Funds Investment Framework and Strategic Asset Allocation.
- Ensuring appropriate systems and controls are in place to effectively monitor and evaluate the Funds investment portfolio on an ongoing basis; and
- Reviewing various policies within its domain.

Audit & Risk Committee

The Audit & Risk Committee (ARC) is responsible for:

- Overseeing the Funds financial performance and budgetary process;
- Considering financial reports from the Finance Division;
- Considering reports from the Auditors (internal and external);
- Ensuring that appropriate controls are in place to identify and mitigate risks on an ongoing basis;
- Ensuring that a strong Risk Management culture is instilled throughout the Fund; and
- Reviewing and adopting various policies with its domain.

Corporate Governance

Remuneration & Nomination Committee

The Remuneration & Nomination Committee (RNC) is responsible for:

- Reviewing and approving the Funds organizational structure;
- Appointment and remuneration of the CEO;
- Developing the Board Skills Matrix and overseeing the selection and appointment of new directors;
- Developing and implementing succession plans for the Board and CEO;
- Implementing professional and continuous staff improvement programs; and
- Reviewing various policies within its domain.

Membership Committee

The Membership Committee (MC) is responsible for;

- All strategies and actions, which are relevant to the delivery of efficient member and employer services, products and benefits; and
- Ensuring that the licensed Fund Administration Managers performance is in accordance with the Act and the Service Level Agreement.

Conflict of Interest & Disclosure

The Fund maintains a register of interest which keeps a record of any shareholding or directorship which a Director or Senior Executive may have with any company (private or public) or organization within PNG or abroad.

Directors and senior executives are also required to disclose any conflict or interest in a matter for discussion at Board or Committee meetings. A Director or senior executive may be excused from discussions on that matter where necessary.

Board Evaluation

The Board is made up of ten (10), representing a mix of independent and representative directors of the four (4) shareholders of the trustee company, National Superannuation Fund Limited.

The Board has a process where directors are assessed regularly and their performance reviewed independently and through self-assessment.

Board Attendance & Fees for 2022

Directors	Board Status	NASFUND Director Fee (Net)	NASFUND Committee Fee (Net)	Total	Board Meeting	ARC Meeting	IC Meeting	RNC Meeting	Membership Meeting	Workshops
Tamzin Wardley	continued	105,600.0	18,000	126,600.00	6/6	n/a	6/7	6/6	n/a	3/3
Anthony Yaueib	continued	98,400.0	26,000	127,400.00	6/6	6/6	9/9	n/a	5/5	3/3
Charles Vee	continued	110,400.0	9,000	122,400.00	6/6	n/a	2/2	n/a	1/1	3/3
Leon Buskens	continued	96,000.0	15,000	114,000.00	6/6	5/6	4/9	n/a	n/a	3/3
Kepas Wali	continued	96,000.0	17,000	115,000.00	5/6	5/6	n/a	7/7	n/a	2/3
Florence Willie	continued	96,000.0	24,000	123,000.00	6/6	6/6	n/a	7/7	5/5	3/3
Michael Murphy	continued	96,000.0	23,000	122,000.00	6/6	6/6	9/9	n/a	2/3	3/3
George Panao	Resigned	48,000.0	10,000	58,000.00	2/2	3/3	n/a	3/3	2/2	
Julienne Leka-Maliaki	continued	96,000.0	21,000	120,000.00	6/6	n/a	9/9	6/7	n/a	3/3
Christopher Elphick	continued	30,133.3	3,000	34,133.33	1/1	n/a	1/1	1/1	0/1	1/1
Winifred Kula	Member - MC	8,161.1	1,000	9,161.11	n/a	n/a	n/a	n/a	1/1	n/a
Austin Edo	YTD		5,000	5,500.00	4/5	6/6	n/a	n/a	n/a	1/3
Ritchilyn Barrios	YTD		4,500	5,000.00	4/5	n/a	n/a	n/a	5/5	1/3
Flare Namaliu	YTD		7,000	8,500.00	5/5	n/a	9/9	n/a	n/a	3/3
Total		880,694.44	183,500	1,090,694						

Notes:-

Director Panao resigned on 31 May 2022.

Director Maliaki was appointed as Chair of RNC on 16 June 2022 to replace outgoing RNC Chair, George Panao.

Director Elphick was appointed on 8 September 2022 replacing Director Panao.

Ms. Kula was appointed as co-opted member of Membership Committee on 8 September 2022.

Director Wardley was appointed as the Chairwoman effective as 30 September 2022 replacing Director Vee.

Director Yaueib was appointed as the Deputy Chair effective as 30 September 2022 replacing Director Wardley.

Director Murphy was appointed as Chair of Investment Committee effective as 30 September 2022.

Risk Management

At Nasfund, we take a systematic and structured approach to risk management across all our business units and the processes which are in place to support the achievement of the business activities, strategic goals of the organization, the continuity of the operations, and safeguarding of the company's assets.

Risk Management Framework

We have in place the Risk Management Framework (RMF), which is the totality of systems structures, policies, processes and people within Nasfund's business operations that identify, assess, manage, mitigate and monitor all internal and external sources of inherent risk that could have a material impact on our business operations or the interests of beneficiaries (material risks).

The RMF serves as a management tool to enable Nasfund Board and Executive team to develop and implement different strategies, policies and controls to appropriately manage different types of material risks. The RMF determines Nasfund's risk appetite and risk tolerance which is expressed in the Risk Appetite Statement.

By giving effect to the RMF, Nasfund ensures that each material risk to the business operations is being prudently managed, having regard to the size, business mix and complexity of its operations. Business units are responsible for their own risk management. The risk management function has the ultimate oversight throughout the company to ensure visibility of risks and risk management activities covering all risks from strategic and operational to financial.

The responsibility for overall risk management is vested with the Board. However Management and staff at all levels have a responsibility and a part to play in the risk management process.

Compliance

Management provide the Audit & Risk Committee (ARC) with regular updates regarding all compliance matters including compliance with all legal and regulatory obligations and the Constitution.



All investigation and follow up of any fraudulent activities or any non-compliance issues are also reported to ARC. Management along with the ARC and Board review any findings made by regulatory agencies and respond accordingly.

Internal Audit

Nasfund Internal Audit function has direct access to the Audit and Risk Committee (ARC) and to the full Board. All findings and recommendations made by the internal audit team is reported to the ARC and ultimately to the Board and any significant findings are discussed promptly. The committee monitors and ensures that management responds to recommendations by the internal auditors on a timely basis.

External Audit

Deloitte Touche Tohmatsu (Deloitte) has been Nasfund's external auditor for seven years.

The external audit performance and appointment is reviewed on an annual basis. The Board re-appointed Deloitte as the external auditor in 2018 based on best practice and governance protocols.

Every five years the lead audit partner is rotated and Ms. Helen Hamilton-James has been the audit partner for 2022. Deloitte as a matter of independence do not provide Nasfund with any non-audit service and have provided the required independence declaration which forms part of the annual report.

The lead audit director and partner, both attend the Audit and Risk Committee or Board meetings as and when required. As part of independence and good practice the Deloitte team also meets with the Committee or Board without the presence of management.

Talent & Culture

In 2022, the Fund enhanced its efforts in strengthening its Talent & Culture programs, to promote a safer, healthier, more efficient workforce. This was done through several interventions.

Graduate Development Program

In 2022, the Fund welcomed the second batch of Graduate Development Program (GDP) participants. These 8 GDP participants were embedded within the Fund's various divisions.

In addition to the onboarding of these graduates, the Fund continued its efforts in reaching out to tertiary institutions, to promote this program.

From July to September, the Talent & Culture Team took part in Career fairs at the University of Papua New Guinea, Divine Word University, PNG University of Technology, University of Goroka, and Institute of Business Studies University, speaking to over 3,000 students.

During these sessions final-year students were informed on the opportunities on offer through the GDP as well as the selection criteria for this program.

These GDP awareness sessions covered key components that prospective applicants would need to know which included the role of the fund, its current operations, and a glimpse into what is expected from successful GDP applicants.

This sessions also touched on key qualities of prospective applicants; academic performance, leadership potential, but above all, honest service to our members.

Students were also provided an opportunity to hear from the Fund's GDP recipients, who have progressed within the Fund since the inception of this program.

Their experiences have provided potential GDP applicants with an insight into what can be achieved through this program.

International Women's Day (IWD)

As part of commemorations of International Womens' Day 2022, a team from Nasfund took time to speak to the next generation of women leaders - Year 12 students of Marianville Secondary School.

Led by our General Manager Member & Employer Services Anne Wilson, our #WomenInSuper spoke about their experiences from home, school, and into the workforce.

This occasion also provided the opportunity for students to ask questions on a range of issues, and joined in on discussions on how to #BreakTheBias now, and into the future.

Internally, our Senior women shared their experiences on their journey within the Fund, in serving our members over many years.

Celebrating IWD is important, as more women are now breaking barriers and entering into fields usually dominated by men.

We are proud of our female colleagues for their contribution towards the success of our organization at all levels, from the Board room, management and operations in the delivery of services to our members.

We are proud of our inclusion and equity program with a workforce of 56% female, and 44% male.

Our women colleagues have contributed significantly to the continued growth and success of the Fund.



Photo: Female staff of Nasfund being treated to a morning Tea in celebrating the International Womens' Day in March.

Partnership with ‘Trees for Life Program’

To commemorate World Environment Day, the Fund continued efforts to promote the Trees for Life Program with a goal to plant 3,000 trees by 2030.

In 2022, our staff planted approximately 200 trees in Port Moresby, Lae, Madang, Goroka and Mt. Hagen respectively.

Staff from the Fund’s headquarter, as well as NCD branches planted close to 100 trees at Papa Primary School.

This also provided an opportunity for the Fund’s staff to speak to students on the importance of protecting the environment for future generations.

Given the important role the natural environment in Papua New Guinea plays in the global climate, we acknowledge the need to do our bit to help ensure our natural environment is preserved for future generations.

Through the “Trees For Life Program,” the Fund is committed to planting 3,000 trees each year until 2030, across the country.

The tree-planting exercise has become an annual event for our branch network, and will continue in the coming years until we reach our target.

Just as we as a Fund are custodians of our members’ retirement savings, we would also like to play our part in helping the natural environment grow and flourish for generations to come.



Photo: Students of Papa Primary School in Port Moresby were joined by the Staff to plant trees in observing the World Environment Day in June.

Partnership with ChildFund 1-Tok Counselling

This year Nasfund became the first corporate organization to partner with 1-TOK Counselling Helpim Iain to drive visibility and support in their services in PNG.

This agreement saw Nasfund now commit to driving visibility and campaigns to encourage Papua New Guineans to use 1-Tok Counselling as a the medium for therapy and support in areas of Family and Sexual Violence (FSV), Child Sexual Violence, Relationship issues and general mental health Awareness and support.

Mental Health in PNG continues to be an important agenda, which the Fund is working towards addressing.

There is currently limited visibility given to support services for victims or individual in this area.

Not many people were aware of such services where they could get information and support. COVID-19 period was the litmus test as the lock downs and uncertainty caused a lot of anxiety and discomfort amongst many Papua New Guineans.

It is our obligation as part of our Corporate Social Responsibility Program to support community partnerships that benefit our members and staff as whole.

This partnership is consistent with Nasfund’s Culture & Wellbeing initiative to drive mental health support for our staff & members, and to embrace this as a program into the future.



Photo: GM Talent & Culture, Vincent Lialu and Representatives of the 1-Tok kaunselin Helpim Lain with the signed MoA.

Member Engagement

OPERATIONAL EXCELLENCE

Nasfund Expands and Improves Member Service Centres across PNG

2022 saw the Fund continue efforts in expanding, and improving services to members. Among the highlights were the opening of a second Service Centre in Lae, Morobe Province, as well as the launch of the Fund's Flagship Service Centre at Waigani, and Port Moresby in the National Capital District.

The second Lae Service Centre was added to the Fund's branch network in September.

Morobe Province hosts the second largest membership base of the Fund, accounting for over 111,000 Nasfund members from across 300 employers, which constitutes approximately 18% of the Fund's total membership – a good number of whom work within this busy industrial area.

Our membership within the busy Lae market area and surrounding industrial precinct took ownership of this Service Centre, and continue to utilize the services offered here.

The Service Centre, Located on Malekula Street, provides easy access for members within the city's main market and surrounding areas – which includes our members in the Finance & Banking, Manufacturing & Construction, Tourism & Hospitality, Retail, and MSME sectors.

In the National Capital District, the Fund also welcomed two new-look Member Service Centres to its branch network.

The Waigani and Port Moresby Member Service Centres were officially opened in September, witnessed by Nasfund Directors, Executive Management, Staff, and members.

The Waigani Member Service Centre is our new flagship branch, as it provides members with the full array of services that the Fund provides.

This new facility is the largest service center we have out of our 21 branches throughout the country. It has 10 counters, two meeting rooms, and can accommodate over 70 members at any one time, which provides an environment that is comfortable and functional for our staff to work in and for members to be served.

The National Capital District, and Central Province constitutes the largest portion of our membership with over 233,000 contributors or 37% of total membership, hence the logic to have 3 branches in NCD to service this large member segment.

Our membership within the Waigani, and Downtown precincts have welcomed these developments, and of these Member Service Centre, and utilize the services offered here.

Upgrades were also made to various branches across the Fund's network across all four regions.

These new-look facilities were part of member-focused developments throughout 2022, and demonstrated our commitment to ensuring that our members continued to be provided the best service wherever they were.



Photo: An exciting moment for this Nasfund member to visit the newly opened Member Service Centre in Lae.



Photo: The New Look Lae Branch chamber is more spacious and provides comfort to members waiting to be served.

OUR ENGAGEMENTS

Nasfund Participated in the 16th PNG Mining & Petroleum Investment Conference

In December the Fund engaged with our membership representatives at the 16th PNG Mining & Petroleum Investment Conference.

Chief Executive Officer Ian Tarutia led the Fund delegation to this event, which brought together organizations from across the Resource & Energy sector in Papua New Guinea.

The 16th PNG Mining & Petroleum Investment Conference & Exhibition provided an opportunity to engage once again with industry organizations, most of whom are our contributing employers on behalf of their staff. The event also provided a venue for Prime Minister Marape and key Ministers for Investment & Trade, Mining and Petroleum to outline Governments policy and support for the mining and petroleum sector.

Through the theme “PNG Resources: Securing the Next Wave of Responsible Investment” the Fund was fortunate to meet with Industry leaders to understand the current state of play as well as changing dynamics of this critically important economic sector.

It was pleasing to note that activities in the industry are slowly picking up, in anticipation of the commencement of operations for several projects.

As the leading superannuation provider in PNG, Nasfund stands ready to support the resource & energy industries to provide retirement savings services to our membership, both present and future. This event also allowed the Fund to gauge the level of interest in investing in PNG, which allows us to consider investment opportunities, which can provide long-term returns for members.



Photo: Team Leader Client Relations, Raela Wari meeting various heads of State Agencies.



Photo: Kina Bank's Deepak Gupta and Greg Pawson meeting up with CEO Ian Tarutia.



Photo: A participant utilising the break time to visit Nasfund booth



Photo: Media & Communications Team Leader, Meriba Tulo assisting a Nasfund member to view his statement online.

Employer Engagement

OUR ENGAGEMENTS

Throughout 2022, the Fund participated in targeted presentations, Conferences and Expositions as part of member engagement.

Regional Employer Conferences

2022 signaled the recommencement of the Fund's physical engagements, with member engagements increasing across the Branch network.

The Employer Conference 2022 provided the first opportunity for the Fund to interact physically (and online) with contributing employer representatives in Port Moresby, Lae, Kimbe and Goroka.

In Port Moresby, the Employer Conference was attended by 100 employer representatives, with more than 5,000 members joining online via Zoom, Facebook & LinkedIn.

Presentations covering the Fund's 2021 Financial Performance, Investment Results, Member Services and innovations within the Information Technology & Innovation space were provided, in an effort keep our membership informed.

Similarly, the Lae Employer Conference was well-attended, with the majority of employer representatives in attendance.



Photo: Nasfund members listening attentively to the presentation highlights of the Funds performance during the Employer conference in Goroka.

Nasfund Welcomes New Members on Lihir Island

In August, Nasfund welcomed 200 new contributing Employers on Lihir Island to its growing membership.

These 200 landowner companies who provide services to Newcrest Mining Limited (NML), through Lihir Business Services (LBS) have a combined membership of over 800 staff.

Employer Representatives from these 200 landowner companies received their Employer Registration Certificates, confirming their membership to Papua New Guinea's leading superannuation provider.

The process in registering our new members is one that was made possible through cooperation from NML, LBS, and our Nasfund Lihir service centre.

The bulk registration of our new members on Lihir island was one of the largest we have had, and is a testament to the great working relationship the Fund continues to enjoy with the local business community.

This also demonstrates the importance that businesses, whether large or small, place on retirement savings for their employees.

As members of Nasfund, these members now benefit from our cadre of services, which includes our online platforms, TextBal service, and our popular Membership Discount Program (MDP).

We are committed to providing value for these members while they work today, so that they are ready for retirement, when the time comes.



Photo: General Manager Member & Employer Services, Anne Wilson presenting Certificates to Assumpta Wauwau, Accounting & Compliance Manager on behalf of the 200 Landowner companies who opted to contribute towards their workers retirement savings.

OUR ENGAGEMENTS

Nasfund Participates In Unitech 2022 Career Fair

Nasfund participated in the Papua New Guinea University of Technology (Unitech) 2022 Career Fair in September 2022, as part of its Talent & Culture Framework .

The event brought together Unitech students, staff, and corporate partners, to showcase the opportunities on offer by Nasfund, to all in attendance.

Over the 2 days, close to 1,000 participants passed through the exhibition.

This avenue was used to raise awareness on the importance of superannuation, and at the same time promoted the Fund's Graduate Development Program (GDP) which is a key Leadership Development Program the Fund is implementing.

This is to ensure we equip young talented Papua New Guineans to be first-line managers to succeed in our increasingly competitive business and financial services environment and to ensure that Nasfund retains sustainable leadership within the competitive superannuation industry.

The opportunity to engage with students was to provide some guidance as to what is required for graduates who may want to join Papua New Guinea's leading superannuation provider.

As an equal opportunity employer, the Fund is always on the lookout for talent to provide the next generation of officers to serve our members.

Those in attendance were provided guidance on what the qualities that the Fund looks to, when recruiting our staff, whether it be through direct selection, or through our Graduate Development Program (GDP).

In addition to this, the Fund also provided awareness on superannuation in general, and the products and services on offer.

As a Fund, we believe it is important to educate the next generation of Papua New Guineans on the importance of saving for retirement through superannuation.

Members Utilize Nasfund Services at 59th Morobe Show

In October, the Fund participated in the 59th Annual; Morobe Show.

Hosted at the Lae showground on Saturday 8th, and Sunday 9th October 2022, this event saw close to 1,500 Nasfund members from across Morobe and neighboring provinces, access the Fund's services.

This event provided a wonderful opportunity for the Fund to interact with our members, some of whom who may not have time during the week.

Over the two days, our members were able to check their Nasfund account balances, update their membership details, register for the Fund's Text-Bal and online services, and be issued new Nasfund membership ID cards. The event also provided an opportunity for entrepreneurs involved in micro and small to medium enterprises (MSMEs) to register to save for retirement through the Fund's Eda Supa product.

Our team was also able to interact with representatives from our contributing employers, who also exhibited at this event, to discuss how best to work together to continuously improve our offering in Morobe Province.



Photo: A Nasfund member getting assistance to correctly fill out the Member Detail Update Form (MDUF) during the 59th Morobe Show.

Our Investments

20 YEARS INVESTMENT JOURNEY

Nasfund is a balanced fund guided by the BPNG Superannuation Prudential Standards and invests in sectors profitable to maximize members' returns.

As an institutional investor, Nasfund has had a colourful investment path. This is a snapshot of Nasfund's Investment Portfolio for the past 20 years.

Refer to Table 1 is an Investment Timeline of Nasfund's spanning more than 20 years.

TABLE 1: NPF / NASFUND TIMELINE OF INVESTMENT EVENTS

1981	Founded in 1981 as National Provident Fund (NPF).	2003	Establish NASFUND Contributors Savings & Loans Society (NCSL).
1982	Established in 1982 under the National Provident Fund Act 1982.		Initiate establishment of the Association of Superannuation Funds of PNG.
YEAR	HIGHLIGHTS		
1999	State of affairs reveals NPF to be in debt of K160 million.	2004	Finance Pacific Superannuation Fund merged with NASFUND.
			Record audited net profit of K53.4 million.
2000	Balance Sheet of the Fund requires correction. Fund Assets is less than member savings.		Balance Sheet size exceeds K522.4 million up from K445 million in previous year.
	Member accounts written down by 15% or K32.04 million.		Interest of 14.50% paid to member accounts.
	Government sets up the NPF Commission of Inquiry to investigate cases of corruption, graft & mal administration.	2005	Equity purchase-SP Brewery Ltd (PNG).
	Parliament passes new superannuation legislation – Superannuation General Provisions Act 2000 to govern whole superannuation industry.		Equity purchase- Post Courier.
			Equity purchase -Pacific Balanced Fund.
2001	NPF retires debt from the balance sheet.		Maritime Industrial Workers Superfund merged with NASFUND.
	NPF makes audited profit of K15.8 million after 3 years of losses.		University of PNG Superfund merged with NASFUND.
	Interest of 7% paid to member accounts.		BSP Capital takeover as Investment Manager from ANZ/Capital Stockbrokers.
	First Super Fund to implement reforms under the new superannuation law.		Record audited net profit of K160.1 million.
	Decision made on outsourced Investment Managers – awarded to ANZ/ Capital Stockbrokers.		Balance Sheet size exceeds K748 million.
			Interest rate of 29% paid to members accounts.
2002	Incorporated as a company under the Companies Act. NPF renamed to NASFUND.	2006	Equity purchase-City Pharmacy Ltd.
	Record audited net profit of K33.5 million. Increase of 110%.		Equity purchase-SP Holdings (PNG).
	Balance Sheet size exceeds K300m.		Debt-PNG Power.
	Record growth rates of 22% and membership growth of 11%.		NAV growth of 261% over last 5 years.
	Interest of 8.75% paid to members accounts.		Record audited net profit of K69.4 million.
			Balance Sheet size surpasses K850 million.
2003	Equity purchase-BPT-Ela Motors (PNG).		Interest of 10% paid to members' accounts.
	Equity purchase-BSP Financial Group Ltd.	2007	Equity purchase- Hornibrooks NGI Ltd.
	Equity purchase-Westpac Bank.		Record audited net profit of K321.1 million.
	Equity purchase-Credit Corporation (PNG) Ltd.		Balance Sheet size exceeds K1.23 billion.
	Record audited net profit of K53.02 million.		Interest of 37% paid to members' accounts.
	Balance Sheet size K445 million up from K326 million in previous year.	2008	Equity purchase-PNG Air (CGA).
	Interest of 12.50% paid to member accounts.		Record audited profit of K74.1 million.
			Balance Sheet size exceeds K1.46 billion.
			Interest of 8% paid to members accounts.

2009	Equity purchase-NAS Aviation. Equity purchase-Port Services. Appointment of National Capital Ltd as Investment Manager. Property Investments total K300 million or 16.8% of NAV. ANZ Haus (Harbour City) completed, Heritage Hotel in Honiara, Solomon Islands completed. Record audited net profit of K205.6 million. Balance Sheet size exceeds K1.779 billion. Interest of 15% paid to members accounts.
2010	Equity purchase-Boroma Piggery. Equity purchase in Turumu Holdings (Brian Bell Group). Completion of investment properties - Solwara Apartments, Ravalien Haus, Sumsuma Complex, IPA Haus & The Factory. All fully tenanted. Record audited net profit of K294.603 million. Balance Sheet Size exceeds K2.22 billion. Interest of 15% paid to members accounts.
2011	Equity purchase-New Britain Oil Ltd. Equity purchase-Steamships Trading Ltd. Equity purchase-Heritage Park Hotel. Equity purchase-Grand Pacific Hotel Ltd. Equity purchase-Mainland Holding Ltd. Equity purchase-Highlands Pacific Ltd. Investment in the K125 million Sovereign Community Infrastructure Treasury Bill causes political & public debate. Balance Sheet size exceeds K2.3 billion. Interest of 2% paid to members accounts as provisioning of K40 million is provided to cater for SCITB Investment.
2012	New management team of GM Finance & Investments, GM Legal and GM Corporate Services & Head of Human Resources. Appointment of PacWealth Capital as Licenced Investment Manager. Discussions commence with State to recover SCITB investment. Currently WIP. Fund records 2,400% increase in net profitability from loss of K 9.47 million to K220.8 million. Interest of 10% paid to members. Balance Sheet growth of 17% from K2.38 billion to K2.798 billion. Construction of BSP Haus at Harbour City commences. NASFUND is one third shareholder with BSP and Curtain Brothers. BSP Haus will be located of new NASFUND head office. Equity purchase -Santos Ltd (formerly known as Oil Search Ltd).

2012	Equity purchase-Panamex Holdings (Singapore) PTE. Ltd Debt -Grand Pacific Hotel Ltd Debt-Panamex Ltd
2013	Board approves Strategic Asset Allocation Guidelines conducted by Mercer. NASFUND experiences 20% balance sheet growth from K2.7 billion to K3.35 billion. Net Profitability equates to K330.6 million up from K223.4 million recorded in 2012. Interest paid to members is 11%. Reserves is 2%. SIOS Ritaia Workers Fund (K55m) transferred to NASFUND by order of regulator, BPNG. SCITB Investment issue was referred to the courts. New investments include K45 million loan to Big Rooster, K36 million for 40% equity shareholding in Hitron K56 million for 50% equity in PWC Haus and K13 million for the former Douglas BSP Building. Also a convertible note investment of K61 million to finance construction of a 80 room resort in Samoa.
2014	NAV of K3.719 billion representing a growth of 10.8% growth from K3.356 billion in 2013. New investments of K320 million in GIS & T Bills, K10 million capital injection in PNG Air, K28.5 million. Convertible Note to Harbour City Developments and K10 million equity investment in Capital Life Insurance Ltd. Investment & Finance Division separated and new Chief Financial Officer and Chief Investment Officer appointed. BPNG conducts first On Site Review on the Investment Portfolio of the Fund. A Report with recommendation for Improvement is issued. Net profit of K258.45 million compared to K330.600 million attained in 2013. K56 million SCITB provisioning written back into Profit & Loss Statement. Interest of 8.5% equating to over K265 million paid to members. Reserves is 1.72% (K64 m).
2015	Gross Asset is K4.05 billion, Net Asset Value is K3.936 billion. Investments of over K600 million in property, fixed income (GIS/ TBills) and shares. Net Profit is K150.9 million compared to K258.45 million made in 2014. Interest of 4% paid to members compared to 8.5% paid in 2014. Assumed 100% ownership of commercial properties in Harbour City Precinct-BSP Haus, Carpark & PWC Haus. Equity purchase of Kina Security Ltd shares.

Our Investments

20 YEARS INVESTMENT JOURNEY

2016	<p>Fund assets grew by 6.9%, profitability by 88% and membership by 8.4%.</p> <p>Investments mainly in GIS and Treasury Bills. Divestment out of Hitron Ltd and Lae Voco Point Wharf property.</p> <p>Gross Asset is K4.34 billion. NAV is K4.21 billion.</p> <p>Net Profit is K283.47 million.</p> <p>Interest paid to members is 7.25%, Reserves increased to K92 million or (2.2% of NAV).</p> <p>NASFUND receives K1 million from Bougainville Government being retirement savings for Bougainville Leaders.</p> <p>Equity and debt funding for the redevelopment of Loloata Island Resort.</p>
2017	<p>Fund reaches Gross Assets of K4.62 billion. Increase of 6.8% from K4.32 billion recorded in 2016.</p> <p>Net Asset Value of K4.51 billion an increase of 7% from K4.21 billion recorded in 2016.</p> <p>Net profit of K242.4 million. 8% interest paid to members.</p> <p>3.5% increase in total membership to 556,459 members.</p> <p>Court orders return of K56 million of the unspent portion of the SCITB investment. Received in October.</p> <p>Investment of K20 million capital injection into PNG AIR.</p> <p>Strategic Asset Allocation reviewed. New asset class of infrastructure introduced.</p> <p>BPNG conduct On Site Risk review of IT, Fund Admin / Investment management Operations.</p>
2018	<p>Fund reaches Gross Asset Value of K4.98 billion, 6% increase of from K4.62 billion in 2017.</p> <p>NAV is K4.75 billion increase of 5% from 2017.</p> <p>Net profit of K158.7 million. 3.5% crediting rate to members.</p> <p>Additional investment of K38 million worth of shares in Mainland Holding Ltd. NASFUND owns over 77% of the Company.</p> <p>Big Rooster Loan of K45 million repaid to Nasfund.</p> <p>Divested out of Grand Pacific Hotel in Suva, Fiji. Initially owned 50% of the business.</p> <p>Taumeasina Island Resort Loan settled through swap of shares with City Center Development Ltd.</p> <p>New Investment Manager appointed. – BSP Capital.</p> <p>Refurbishment work on Kina Bank Haus (Formerly Deloitte Tower) commenced.</p> <p>Divestment in Grand Pacific Hotel.</p> <p>Full debt repayment from PNG Power.</p> <p>Full debt repayment from Big Rooster.</p>

2019	<p>Gross Assets at K5.32 billion.</p> <p>Net Assets of K5.24 billion representing a 10% growth from 2018.</p> <p>Net profit of K312 million.</p> <p>Board approves crediting rate of 6.3% equating to K310 million to be paid to members accounts.</p> <p>Board approves K56 million investment to purchase Curtain Brothers shares in the Edge Apartments at Harbour City.</p> <p>Soft opening of the Loloata Island Resort attended by Hon. James Marape, Prime Minister of PNG.</p> <p>Equity Divestment-KSL shares.</p>
2020	<p>Gross Assets of K5.63 billion.</p> <p>Net Assets of K5.57 billion .</p> <p>Net Profit of K223 million .</p> <p>Board approves 4.5% to be paid to members equating to K235 million</p> <p>3 females appointed to the executive management including, Ms. Fiona J.Nelson and Mr Judah Waffi appointed as Joint Chief Investment Officer. Ms. Fiona J.Nelson becomes the first female Chief Investment Officer.</p> <p>Debt Funding to PNG Air Ltd.</p> <p>Divestment of Port Services.</p>
2021	<p>Nasfund buys out Mainland Holdings Ltd (MHL) minority shareholders and assumes 98% of MHL.</p> <p>New GIS & T-Bills placements which exceeded budget.</p> <p>Debt Funding to MHL.</p> <p>LIM contract awarded to BSP Capital Ltd.</p> <p>Property Management Contract awarded Ashton Brunswick Ltd.</p> <p>Equity Purchase in Panamex (Share buyback).</p> <p>Property Division repositioned into the Investment Division.</p>
2022	<p>Hornibrooks NGI Ltd Debt.</p> <p>New GIS & T-Bills placements which exceeded budget.</p> <p>PNG Air Ltd debt restructure exercise.</p> <p>Cash income exceeds budget.</p> <p>Valuation income down attributed to the drop in NAV price of Vanguard International Shares Index Fund.</p> <p>MHL Shareholders' Agreement revoked.</p> <p>Lease Agreement with Ashton Brunswick Ltd awarded.</p> <p>Divestment of non-core property, Sumsuma Complex, Warehouse and Madang residential property.</p>

Nasfund has adopted a bespoke strategic asset framework around liquidity classes, and they are as follow; Liquid, Yielding Illiquid, Non-Yielding Illiquid and the International Asset Classification. More than 60% of the Investment Portfolio sits in the Yielding Illiquid Asset Class and generated an average investment return of 13.5%. On average over the last 10 years, this return was mainly attributed to the performance of Investment Properties at 20.9%, BSP Financial Group Ltd at 16.4%, GIS at 11.4% and Treasury Bills at 5.5%.

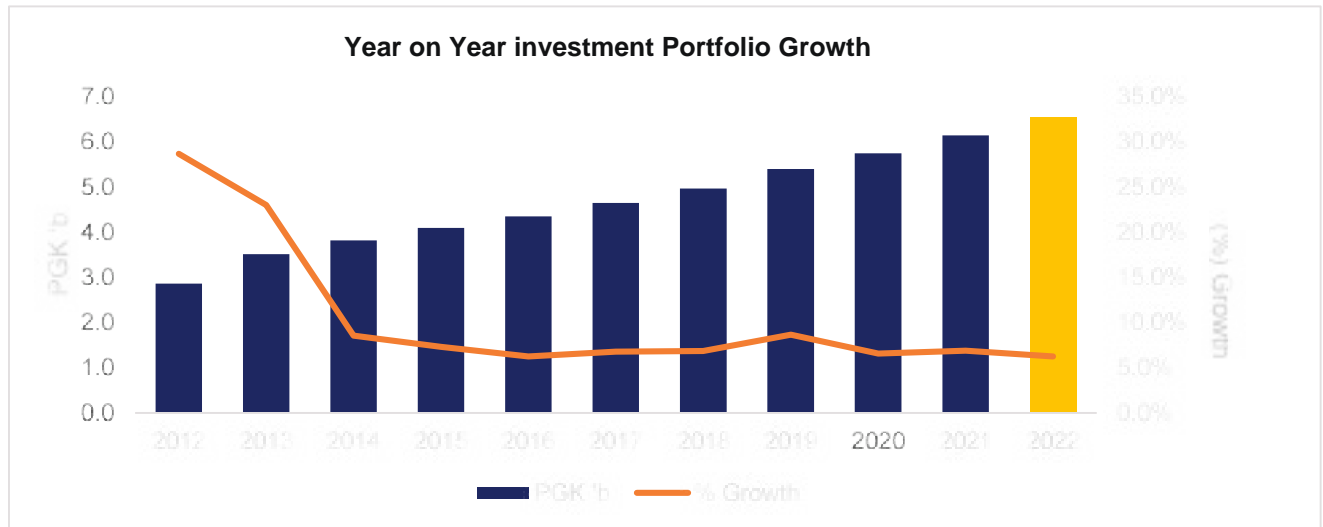
establishment of the Harbour City Precinct comprising of commercial properties, residential apartments and retail eateries. It comprises of circa 8.2% of the Investment Portfolio and has proven to be a main stay for members' returns overtime.

Challenged by Foreign Exchange issues, the International Investment Vanguard International Shares Indexed Fund has contributed an average investment return of 8.0% since its inception in 2016.

As a defensive measure, the Fund has grown its fixed income in GIS to circa 40% of the investment portfolio, which proved well for its members' returns withstanding the economic challenges.

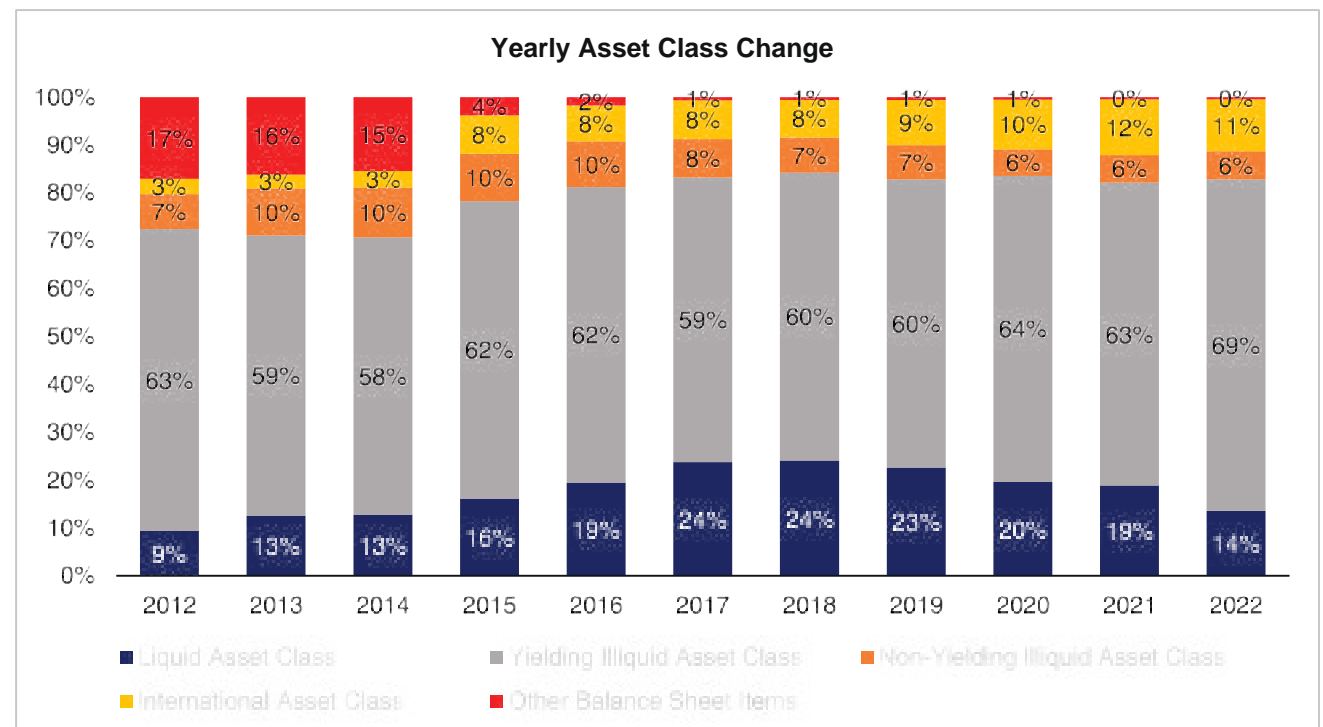
A landmark for the Fund's investments was the

Figure 1. Aggregate Investment Portfolio Growth



Source: ID Analysis

Figure 2. 11 Years Asset Classification Movement



Source: ID Analysis

Our Investments

2022 INVESTMENT PERFORMANCE

Portfolio Overview

The beginning of the year 2022 was riddled with geo-political tensions, which had an adverse effect on the world economies as they strive to recover from the global pandemic. The Ukraine-Russia conflict amassed a number of significant occasions including global inflation, oil price sky-rocketing and European Union sanctions. All these events affected the PNG economy and trickled down to our investment portfolio performance.

Irrespective of the global economic downturn, Nasfund's investments have seen solid growth and showed resilience in 2022.

The domestic market remains illiquid given the instability in the economy. Nasfund has been provided with investment opportunities in a plethora of sectors from energy to marine services, machinery, retail, healthcare, telecommunication, commodities and utilities. This has indicated mixed sentiments in the market. Businesses performance on average was dampened, the mergers & acquisitions season flourished seeing new entities blooming whilst the weaker performers departing to a different state.

Despite the unfavorable economic headwinds, the last quarter of 2022 saw some of the Fund's investee companies such as the BSP Financial Group Ltd, Credit Corporation (PNG) Ltd, Vanguard International Shares Index Fund, Pacific Balanced Fund and SP Brewery Ltd deliver on dividend income targets.

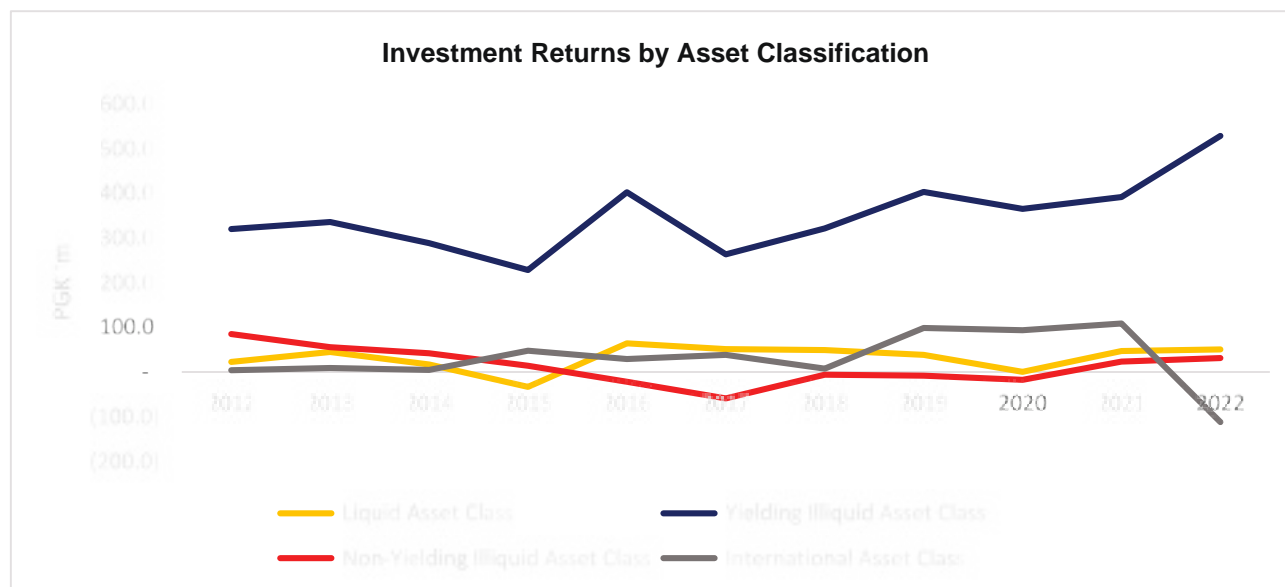
Valuation income declined on the backdrop of the European conflict and Covid-19 carry over. Overall, this offered up a wonderful opportunity for debt instruments and potential growth/exit strategies.

The Fund actively participated in the BPNG auctions for Government Inscribed Stocks and Treasury Bills and exceeded its benchmark placements as new investment opportunities were progressed to meet the Fund's due diligence and governance framework.

Overall, there was a drop in property valuation income mainly attributed to the increasing vacancy rates while the private equities saw an increase in valuation income strengthened from the retail sector and commercial unit trust financial performances.

In terms of the Fund's international investments, investment value in the Vanguard International Shares Index Fund declined in valuation mainly attributed to the decline in tech stocks performance as they struggled to cope with investor sentiments towards inflationary pressures coupled with the appreciation of the PGK against the AUD during the year.

Figure 3. Investment Returns



Source: ID Analysis

Industry Engagement



The Association of Superannuation Funds of Papua New Guinea (ASFPNG)

The Association of Superannuation Funds of Papua New Guinea (ASFPNG)

The Association of Superannuation Funds of Papua New Guinea (ASFPNG) is the superannuation industry peak body in PNG. Its membership comprise of approved superannuation funds licenced by the Bank of Papua New Guinea as regulator, Licenced Investment Managers, Fund Administrators and associated business, legal and accounting advisors.

Funds under management among the four funds is in excess of K15.6 billion with over 800,000 members nationwide across the public and private sector workforce.

As the industry body, ASFPNG primary objectives are to:

1. Represent the interests of the ASF's and associated entities;
2. Provide policy advice to BPNG and Government on superannuation;
3. Advocate the interests of members.

ASFPNG is supported by Nasfund through the provision of office space and administration support.

Today the ASF's are:

- Nasfund,
- Nambawan Super,
- Comrade Trustee Services and
- Aon Master Trust.

Members are:

- BSP Capital
- PricewaterhouseCoopers
- Kina Funds Management

Corporate Social Responsibilities

Outside our role as Trustees of retirement savings for our valued members, we acknowledge the community we operate in and the role other stakeholders play in the socio-economic development of our country.

Nasfund continues to provide support in cash and kind for a number of NGOs, not for profit institutions, benevolent charities and causes that promote good governance, fight against corruption, gender equality, women empowerment, childhood literacy, health, commerce and development of young professionals.

We provide office space for the PNG Institute of Directors, the Association of Superannuation Funds of PNG, and Buk bilong Pikinini to enable these organizations carry out their respective roles which are beneficial to society.

We have also continued our partnership with the PNG Cancer Foundation, through the distribution of educational materials through our branch network.

We at Nasfund are proud to play our part as a responsible corporate citizen of Papua New Guinea.



Corporate Social Responsibilities



PNG Institute of Directors (PNGID)

Papua New Guinea Institute of Directors (PNGID) was established in 2002 with the purpose of promoting good corporate governance in Board rooms and developing the pool of professional directors in Papua New Guinea.

PNGID and Nasfund's shared values of governance and ethical corporate behavior as a cornerstone of success has seen both organizations enjoy a mutually beneficial relationship over the last 20 years.

Nasfund executives have led the Institute as President or served as a Board Director on a number of occasions while Nasfund has provided office space at concessional rents including administrative support for the Secretariat.



Buk bilong Pikinini (BbP)

Buk bilong Pikinini (BbP) was founded in 2007 with a mission to provide PNG's children with access to books and learning through Library Learning Centres.

In 2022, BbP celebrated its 15th Anniversary.

Nasfund has been a supporter of BbP since 2010, through the provision of office space. This partnership started with a one-room office at Nasfund's Boroko premises. When Nasfund moved to Harbourside, BbP was invited to come along and has since then also occupied office space downtown. When BbP outgrew that space, the next step up was "the Factory" at Konedobu, which is a large office with a generous carpark and for which BbP now contributes a small amount towards the rent.

As a founding sponsor, we are pleased to see the work of Buk bilong Pikinini grow to the organization it is today and making a positive impact on the lives of our children at grass roots level. This is where it matters the most for our future generation. Buk bilong Pikinini have done a tremendous job since its inception and I am pleased we are doing our bit behind the scenes with our support of office space.

Our partnership with Buk bilong Pikinini is one of joy. It is not often that you can assist an organization and see both immediate results and the long-term impact. Literacy is a gift for life and we are very proud of our ongoing association with BbP.



Property & Facilities Manager Statement - Ashton Brunswick Ltd



Update for 2022 Annual Report

2022 has been a volatile year in PNG resulting in mixed results for the property portfolio. Covid continued to challenge the portfolio in terms of the economic environment which has impacted many tenants' decisions and the residential market has been through difficult times with high vacancies and limited expatriate workforce entering the market.

PNG's economic performance for most of 2022 has been subdued but is expected to rebound in 2023. The theme for 2023 is "implementing the vision" – the key objective is budget repair with a target to return to surplus in 2027. The impact of climate change is a key focus heading into 2023 by the Government. PNG is uniquely placed to improve its position across energy (particularly gas), climate change and geostrategic competition. Resource projects are expected to be accelerated to capture the transitional energy window whilst balancing climate change, decarbonization and renewable energy.

As we close out 2022, we would have to agree that the green shoots are emerging as we are experiencing several new entrants into the market for residential apartments and commercial office space inquiries. This is a good indicator that confidence is building. We should continue to hold a conservative approach and capture tenants to the portfolio to secure cashflow even if sometimes it might be on terms less than budgeted. The key to any deals carried out will be to ensure there is an opportunity to review the commercial terms during the lease period.

The unreliable power supply impacts the portfolio due to constant power outages. This is set to continue well into 2023, the inconvenience to the occupier is not ideal however is being managed as best as possible.

Improving the overall performance of the portfolio is Ashton Brunswick's clear focus and that coupled with a strategic approach on asset positioning will see 2023 being a positive year for the portfolio and Nasfund. Understanding Nasfund's key requirements to generate a stable annuity stream with long term growth and a high level of tenant engagement will continue in the management of the portfolio.

Our management team focus is to strive for excellence and continue to deliver our management services to the highest level despite the difficulties of the economic environment and power supply. We are continuously developing new ways to improve our delivery, whether it be through reporting and data

distribution, leasing and marketing strategies, capex/project management tracking or our tenant engagement and communications strategy.

We partner with the Nasfund Executive team and Property teams to co-create a bespoke best in class Portfolio Management team in PNG. Ashton Brunswick has the depth of relationships to tap into deep intelligence whether it be in PNG or offshore. We leverage the best minds within the property industry to trouble shoot and bring sustainable solutions to any issue we are confronted with.

We are committed to ensuring Nasfund has the best performing portfolio in PNG and understand the importance of this Investment category and the percentage it relates to the overall SAA and are continuously looking at ways to enhance the performance of the portfolio.

We have continued to develop and recruit new team members to build a sustainable team on the ground who are fully mentored fully by our Head of Advisory and our Strategic Alliance Partners Colliers.

Property Management at a glance

We continue to work on streamlining our processes to bring efficiencies into our daily operating model. Our tenant engagement process is being well received by the tenants within the portfolio and is demonstrated by the high number of lease renewals completed during the year.

Leasing to secure income for Nasfund

We are pleased to advise that during 2022 we have been successful in closing out new leases and lease renewals for 27 apartments, 10,500m² office space and K21 million annualised in revenue for Nasfund and its members.

Facilities Management - maintaining assets for occupier satisfaction

2022 was a challenging year however we have managed to maintain building operations and keep our workplaces safe and compliant.

A strategic program was implemented for preventative maintenance and upkeep of aging equipment.

Contracts have been tendered for Cleaning, Security, HVAC to ensure value for money, quality of maintenance and maintaining tenant enjoyment.

Property & Facilities Manager Statement - Ashton Brunswick Ltd



The ongoing power instability/fluctuations with the supply has impacted our PC Boards, Compressors and Controls causing disruptions throughout the year as the power being supplied is inconsistent which has a long-term impact on the electronic equipment.

Capital expenditure - to enhance operational performance of each asset

We continue to identify, manage and complete the various projects identified under the Capital Expenditure program to ensure the ongoing improvement of each asset and to improve operation, efficiency, and capacity in all of the Nasfund Property Portfolio.

Your sincerely,

Sara Pratt
Head of Advisory
Ashton Brunswick

Richard Sapias
Managing Director
Ashton Brunswick



Licenced Investment Manager Statement - BSP Capital Ltd



Dear Nasfund members,

Uncertainty remained elevated in 2022

2022 was a turbulent year. The global economy's growth prospects at the start of the year quickly deteriorated after Russia's invasion of Ukraine. This event, coupled with rapid and persistent inflation in most major Western economies weighed on economic growth and world trade. Interest rate increases to contain inflation, and lingering pandemic effects such as China's lockdowns and disruptions in supply chains also impacted the health of the world economy. These successive shocks combined to keep uncertainty elevated.

Despite the external factors, there was a general optimism in the outlook for the PNG economy largely due to the higher commodity pricing environment and increased output from the non-extractive industries and the Government's continued focus on spending on infrastructure developments. However, the prolonged delays in re-opening the Porgera mine and progressing other key economic projects slowed the improvement in government's fiscal outcomes.

Investment portfolio performance

Over 2022, Nasfund's net funds under management grew K359 million to K6.3 billion (a 6.0% annualised growth rate). The key changes in the Fund's asset allocation between the four asset classes included increased exposure to Credit Corp, Brian Bell, Pacific Balanced Fund and BSP due to increases in their equity valuations; a net increase in the Fund's GIS investments (K602.5 million); a decrease in the allocation to the Vanguard International Shares investment (-K90 million) due to a poor year for international equity markets; and a net decrease in T-Bill holdings (-K200.1 million) as the Fund substituted lower returning T-Bill assets for higher returning GIS holdings.

Before expenses, Nasfund generated a gross cash income of K482 million on its investments in 2022, generating a gross annualised cash yield of 8.2%. This cash yield comfortably achieves the Fund's target cash yield of 4.5% per annum.

Yielding Illiquid assets generated the vast bulk of the cash yield (K390 million) while the Liquid asset class generated K45.9 million in cash income. As expected, Non-Yielding Illiquid assets generated minimal cash flow K3.6 million, underpinned by Cameron Road Warehouse improvement, dividends from CPL, and PBF.

Similar to prior years, Nasfund's portfolio cash yield was heavily dependent on the performance of three investments: Government Bonds which generated K242.7 million in cash yield; T-Bills which generated K40 million in cash yield; and the Bank of South Pacific which generated K76.1 million in dividends. Over 2022 these investments contributed 74.9% of the cash income made by the portfolio.

After expenses, Nasfund generated a K305 million return on its investments in 2022, recording a 5.1% annualised return before taxes. This return is below the Fund's target return of 7% per annum.

Yielding Illiquid assets generated the vast bulk of positive returns (K432 million) offsetting International losses (-K82.7 million), expenses and miscellaneous items (-K73.5 million).

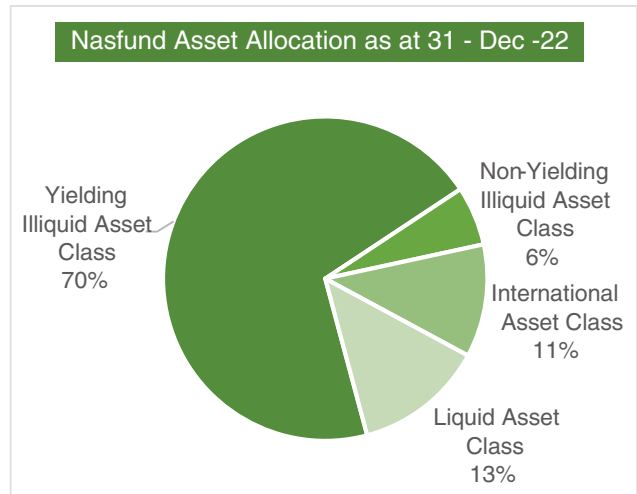
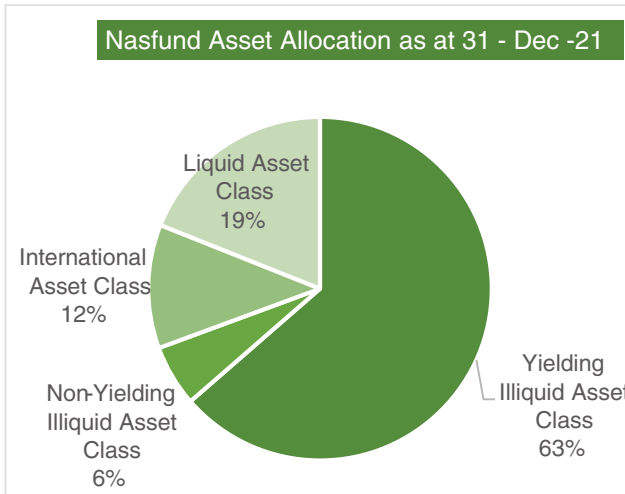
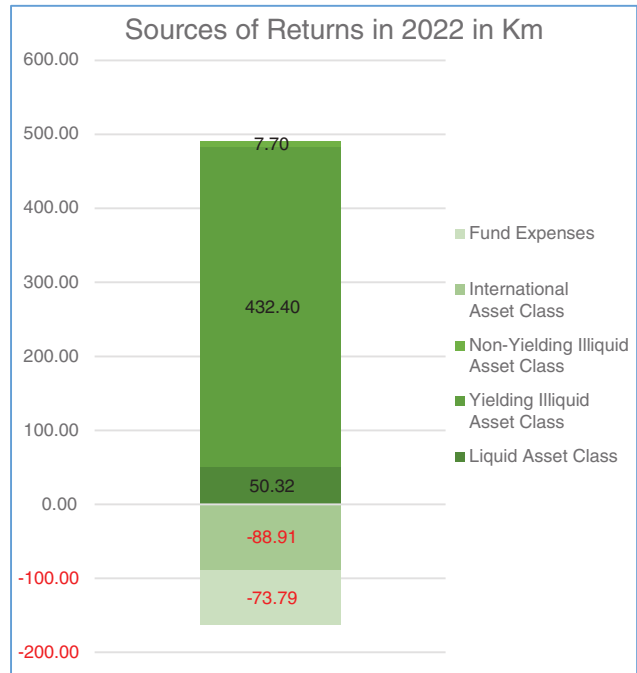
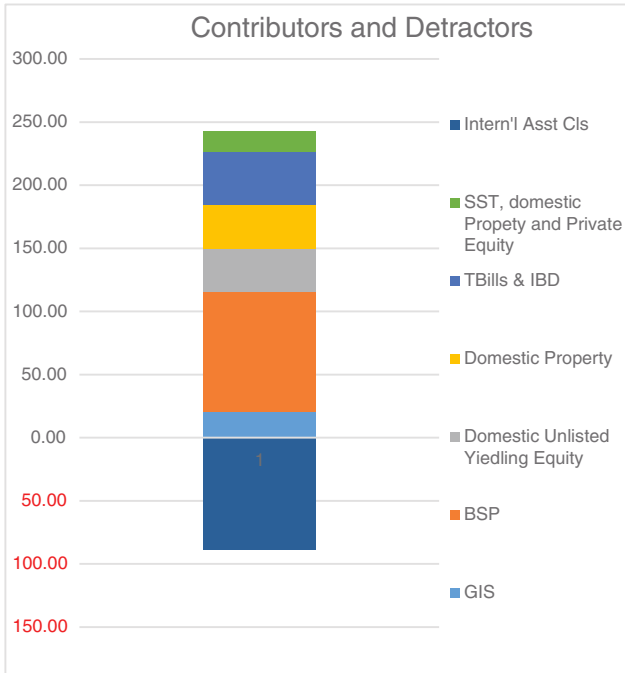
Over 2022, Nasfund's portfolio return was primarily driven by two investments: Government Bonds which returned K233.2 million; and the Bank of South Pacific which returned K94.7 million. The biggest drags on returns in 2022 were Fund expenses (-K73.7 million) and losses on the Vanguard International share fund (-K86 million).

More uncertain times ahead

Global growth, according to the IMF, is projected to ease from an estimated 3.4 percent in 2022 to 2.9 percent in 2023, with some recovery expected in 2024 to 3.1 percent. The latest growth projection for 2023 is 0.2 percentage point higher than predicted in its October 2022 World Economic Outlook (WEO) but below the historical (2000–19) average of 3.8 percent. The rise in central bank rates to combat inflation and Russia's war in Europe will continue to weigh on growth projections. The recent proliferation of COVID-19 cases in China stalled growth in 2022, but more recently, the reopening of the Chinese economy has provided some confidence for a recovery, yet volatility remains. These international events in turn, will influence PNG's regional economic outcomes.

As Nasfund's investment adviser we remain committed to exploring new investment opportunities and managing emerging risks in the investment portfolio. The Fund's investment strategy continues to deliver sustainable and adequate outcomes for all, particularly considering last year's elevated uncertainty and poor international stock market outcomes.

Licenced Investment Manager Statement - BSP Capital Ltd



In closing, on behalf of BSP Capital's Board and staff, we express our thanks to the Nasfund board, management and staff for the opportunity to work together in ensuring your investment outcomes are enhanced.

Sincerely,

Gheno Minia
General Manager, BSP Capital Limited

Licenced Fund Administrator Statement - Kina Superannuation Services Ltd



Fund Administrator’s Statement

Kina Investments & Superannuation Services Limited (Licensed Fund Administrator)

2022 Year in Review

Kina Bank is delighted to report its annual fund administration statement for the period ending 31 December 2022 for National Superannuation Fund limited (NASFUND).

Throughout the year, Kina has diligently processed 159,696 work items, which include benefit payment requests, contributions for mainstream superannuation and Eda Supa members, as well as member and employer data updates. This has resulted in a 7% increase in workload compared to our 2021 statistics. This accomplishment has enabled us to attain a remarkable 95% overall service level performance in the year 2022.

Despite the substantial workload, we were able to sign up 200 new employers, totalling 800 new members, in a single week, demonstrating our adaptability in assisting NASFUND while emphasising high-quality service.

Our primary goal is to deliver unparalleled customer service, and for the third consecutive year, we have successfully accomplished that feat, attaining an overall service level performance rating of 95% or higher. Our success is attributed to our robust systems, streamlined procedures, highly skilled fund administration team, and our valuable partnership with NASFUND. Together, we are committed to providing exceptional services that meet the needs of the members.

Other highlights for the year 2022 were:

- 5.0% growth in membership to 653,754 members from 622,938 in 2021;
- 10.1% increase in contributions receipts to K648.72 million compared to K589.47 million in 2021;
- 7.0% decrease in benefit payments to K547.29 million compared to K587.54 million in 2021;
- 1.6% growth in funds under administration to K5.96 billion (excluding annual credit rate for year 2022);
- 4.3% annual credit rate for 2022 successfully processed on 10 March 2022, and over K253.68 million in investment returns credited to eligible members’ accounts effective 31 December 2022.

Membership

2022 saw an overall 4.9% increase fund membership to 653,754 as at 31 December 2022.

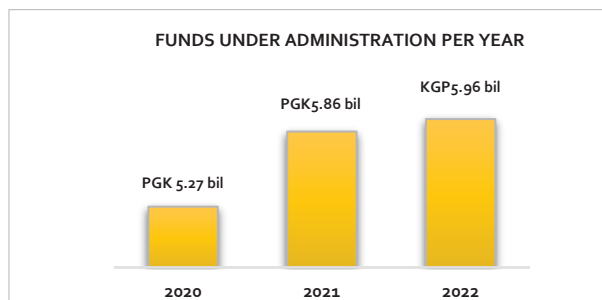
While mainstream membership grew by 4.9% to 616,224 and Eda Supa membership by 5.8% to 37,353 RSA membership dropped after the exit of 8 members.

No. of members	Year 2021	Year 2022
Mainstream Super	587,451	616,224
Eda Supa	35,302	37,353
Retirement Savings Account (RSA)	185	177
Total	622,938	653,754

Funds Under Administration

Total Funds Under Administration was K5.96 billion, an increase of 1.64% at year ending 31 December 2022.

This figure is excluding K253.69 million credited to members’ accounts representing the 4.3% credit rate announced by NASFUND in March 2023.



Licenced Fund Administrator Statement - Kina Superannuation Services Ltd



Contributions

Total contribution receipts were K648.72 million as at 31 December 2022, reflecting a 9.65% increase compared to total receipts in 2021.

It is important to note the 16.8% and 23.2% increases in voluntary contributions for members of the main stream superannuation and Eda Super, respectively. Total member voluntary contribution as at 31 December 2022 was K29.48 million. This pattern demonstrates that NASFUND members are receiving additional benefits from services member discounts and loyalty programs provided to them by NASFUND, and most significantly, they are now taking retirement planning seriously.

Description	2021 (PGK)	2022 (PGK)
Member Contributions	218,890,418.23	238,975,389.68
Employer Contributions	308,113,659.70	337,041,683.59
Member Voluntary	24,897,504.34	29,487,774.22
Employer Voluntary	6,632,619.08	7,618,039.05
Member Salary Sacrifice	1,379,813.59	1,561,006.43
Housing Advance Repayment	14,820,949.69	17,003,898.54
Transfers from other ASF	4,048,147.70	4,884,424.51
Unallocated Contributions	10,688,386.13	12,152,753.67
Total	589,471,498.46	648,724,969.69

Benefit Payments

Over K547.29 million was paid out in 86,394 transactions as at 31 December 2022, compared to K586.54 million in 2021, reflecting a 7.0% decrease in entitlement benefits paid out.

Description	2021 (PGK)	2022 (PGK)
Normal Benefit Payments (including member unemployed for 12 months)	399,028,874.54	376,296,075.92
Medical Retirement	5,976,754.18	8,185,064.28
Death	26,624,939.84	35,883,608.38
Transfer Out (to other ASF)	18,892,788.40	6,537,144.92
Unemployment Benefits (Regular monthly and fortnightly)	71,185,254.99	64,743,075.56
RSA Payments	1,532,668.41	1,320,981.38
Housing Advance Payments	41,078,172.88	36,717,413.88
Tax on Full Benefit Payment	18,760,793.84	15,174,240.73
Tax on Partial Benefit Payment	3,461,921.42	2,433,425.89
Total	586,542,168.50	547,291,030.94



Online Services

In light of the efficacy and reliability of the online services, we are pleased to report that the year 2022 has witnessed a favourable response from both the members and employers who have availed themselves of the services. We have observed a steady increase in the number of new registrations for the Member and Employer Online services, which provide hassle-free access to their superannuation accounts. As of December 31, 2022, the online service had a total of 2,963 employer online users and 66,711 member online users who were actively utilizing these services.

Looking Ahead

At Kina, we hold ourselves accountable for overseeing the retirement funds of numerous Papua New Guineans. Our commitment to delivering top-notch customer service, backed by cutting-edge technology, constant innovation, and ongoing growth, is a testament to our unwavering dedication.

Our strategic plan for 2023 and beyond is centered on crucial initiatives such as system enhancements and innovative digital solutions that will transform the provision of our fund administration services. Our aim is to revolutionize not only the superannuation industry but also through our banking platform.

In order to drive progress within the PNG superannuation industry, we are excited to have establish a close partnership with NASFUND and its key stakeholders, including the regulatory authority Bank of Papua New Guinea.

Boge Dikana
Head of Fund Administration
Kina Investment and Superannuation Services Ltd
'A wholly owned subsidiary of Kina Securities Limited'

Policies required under the prudential standards

As part of Prudential Standard 1/2014 issued by Bank of Papua New Guinea to Authorised Superannuation Funds, a specified number of policies must be reviewed annually and published on its website and its annual report.

Policies

- **The Annual Crediting Rate Policy - (PS1, Section 18 c):**

"The Annual Crediting Rate Policy" Please refer to the policy on the Nasfund website and page 45 of Annual Report.

- **Reserving Management Policy - (PS1, Section 14 d):**

"The Reserving Management Policy" Please refer to the policy on the Nasfund website and page 48 of Annual Report.

- **Interim Credit Rate Policy - (PS1, Section 17 d):**

"The Interim Crediting Rate Policy" Please refer to the policy on the Nasfund website and page 50 of Annual Report.

- **Policy on the use of Derivatives - (PS1, Section 34 h):**

"The Policy on the use of Derivatives" Please refer to the policy on the Nasfund website and page 52 of Annual Report.

Annual Crediting Rate Policy

1. PURPOSE OF THE ANNUAL CREDITING RATE POLICY

1.1 The purpose of this policy is to provide a framework for the Trustee Board when determining the Annual Crediting Rate.

2. LEGISLATIVE REQUIREMENTS

2.1 The primary legislative document governing the superannuation industry is the Superannuation (General Provisions) Act 2000 (as amended).

2.2 The Trustee Board is also required to adhere to various Prudential Standards and in relation to Crediting Rates, the Superannuation Prudential Standard 1/2014 Authorised Superannuation Fund Investments (PS 1/2014) refers. Paragraph 18 (a – c) and Paragraph 19 (a – f) refer in detail.

3. WHAT IS A CREDITING RATE?

3.1 At NASFUND, members' superannuation investment return is determined by an Annual Crediting Rate.

3.2 An Annual Crediting Rate is defined as the investment earnings applied to member account balances after a particular period. Ideally the members' earning rate is equal to the gross investment earnings of the Fund for that period (expressed as a percentage) less the investment management expenses, administration expenses, taxes and after allowing for any reserves (if applicable) applicable during the same period. This is hereafter referred to as Net Surplus Available to Members. If reserves are funded by NASFUND, they represent small reductions in the Annual Crediting Rate. See the Fund's Reserving Management Policy for details.

3.3 NASFUND determines an Annual Crediting Rate early each calendar year which is applied to member account balances retrospectively for the period from 1st January to 31st December of the previous year (the financial year).

3.4 NASFUND also determines an Interim Crediting Rate which will apply in the event that a member exits the Fund, such that the member's final entitlement includes an earnings rate for the period from the most recent Annual Crediting Rate

till the date of exit. (refer to the Interim Crediting Rate Policy for more detail).

3.5 Annual Crediting Rates can be either negative or positive, as they primarily depend on investment performance.

4. ANNUAL CREDITING RATE POLICY

4.1 Net Surplus Available: The Trustee Board, in consultation with the Licensed Investment Manager, determines an Annual Crediting Rate once per annum, after the close of the financial accounts for the year. Only after Net Surplus Available to Members has been calculated can the Annual Crediting Rate be determined and returns credited to member accounts. Determining Net Surplus Available to Members usually occurs early each calendar year, for the Financial Year ending the previous 31st December.

4.2 In determining the Annual Crediting Rate, the assets of the Fund are valued in line with international standards, using a hierarchy of valuation methods. (See the Fund's Unlisted Asset Valuation Policy for details). Such valuations are used to determine Net Surplus Available to Members before arriving at the Annual Crediting Rate.

4.3 The financial records maintained by the Fund are reconciled to the member records maintained by the Licensed Fund Administrator to ensure Fund assets are properly attributed to members' accounts.

4.4 In line with international practice, the Licensed Fund Administrator applies the Annual Crediting Rate using a time weighted rate of return basis. (For a worked example of how this is done, see Appendix 1).

5. ANNUAL REVIEW OF MEMBER ACCOUNTS

5.1 Crediting of member accounts: cannot happen until the annual review of member accounts takes place (as per para 19 (a) "The Trustee Board must ensure that the Annual Review of member records in the ASF is completed before applying the Annual Crediting Rate.")

5.2 This process is done together with the administration system maintained by the Licensed Fund Administrator.

Policies required under the prudential standards

5.3 Refer to the Annual Review Policy (of member accounts) for more details.

6. WHAT HAPPENS IF AN ERROR HAS BEEN MADE IN DETERMINING AN ANNUAL CREDITING RATE?

6.1 Every effort is made to ensure accuracy in the Annual Crediting Rates.

6.2 In the event a minor error is discovered after the Annual Crediting Rate has been applied, then the relevant reserve account is adjusted to correct the minor error. (See the Fund's Reserving Management Policy for details).

6.3 If an error has been made of a more than minor nature, the Trustee Board reserves the right to retrospectively adjust member balances.

6.4 If such a retrospective action is contemplated, the Trustee Board applies a materiality threshold (below which any error to the Annual Crediting Rate is not adjusted retrospectively), and/or a minimum threshold amount (below which no adjustment would be made to a member's account).

6.5 Materiality Threshold: If the Annual Crediting Rate is determined to have been incorrectly calculated by 1% point or more, the Trustee Board will retrospectively adjust member balances. If an error has been made which is less than the Materiality Threshold then any required adjustment is made to the relevant reserves account, or reflected in the Annual Crediting Rate for the following period. (See the Fund's Reserving Management Policy for details).

6.6 Minimum Threshold: Should the Annual Crediting Rate be retrospectively adjusted, the Licensed Fund Administrator will advise the Trustee Board of the new end-of-period member account balances. If retrospective adjustment of a member's account balance would result in an adjustment of K100 or less, then the Trustee Board would instruct the Licensed Fund Administrator to not adjust those member accounts. The net adjustment the total of member accounts below the Minimum Threshold will be made to the relevant reserves account, or reflected in the Annual Crediting Rate for the following period. (See the Fund's Reserving Management Policy for details).

6.7 See the following section for a Fund policy if the Interim Crediting Rate used during the year to

calculate exiting members' full entitlements is found to be higher than the subsequently determined Annual Crediting Rate.

7. MEMBER EQUITY AND FAIRNESS

7.1 Fairness to all members: The Trustee Board recognizes that any Crediting Rate must be fair to all members of the Fund, including current, exiting and prospective members.

7.2 Estimations: The Trustee Board believes that estimating current period Net Surplus Available to Members as the basis for that period's Annual Crediting Rate is the best way to ensure member equity and fairness.

7.3 Frequency of Valuation: The Trustee Board seeks to value the assets of the Fund as often as practical, in order to estimate current period Net Surplus Available to Members in the most timely manner.

7.4 Effect of Unlisted Asset Valuations: The Trustee Board recognizes that Unlisted Assets have potential to distort returns at the risk of member equity. (See Unlisted Asset Valuation Policy for more detail).

7.5 Exiting members: The Trustee Board is conscious that exiting members might be unfairly advantaged if the Interim Crediting Rate applied to the exiting member's account turns out to be higher than the Annual Crediting Rate applied for the full year. Accordingly, the Interim Crediting Rate will be estimated conservatively to avoid exiting members gaining an unfair advantage.

7.6 Members' best interests: The Trustee Board recognizes that due to this conservative estimate that it will be generally in the interests of members to wait till after the Annual Crediting Rate has been determined and applied, rather than exiting earlier based on the Interim Crediting Rate. At the time of writing member behaviour indicates members understand this also, with member exits typically being higher than average just after the Annual Crediting Rate has been applied.

8. ANNUAL REVIEW OF CREDITING RATE POLICIES AND PROCEDURES

8.1 This Annual Crediting Rate Policy will be reviewed regularly and such a review will be done at least annually.

APPENDIX 1: EXAMPLE OF TIME WEIGHTED RATE OF RETURN CALCULATION

INTEREST ON OPENING BALANCE

A. (Opening Balance * Interest Rate)

Interest Rate	8.50%
Opening Balance	K6,820.16
Interest on Opening Balance	K579.71

This is the Year One Closing Balance

ADD

B. CONTRIBUTIONS AND INTEREST RECEIVED DURING THE YEAR

Individual Contributions * No. of days Left/365 * Interest Rate

These are the monthly contributions for year two (You have to work out each month's contribution)

	Month	Date Paid	Days Left	Member	Employer	Total	Interest Earned Per Month
1	January	31 January	334	K60.00	K84.00	K144.00	K11.20
2	February	28 February	306	K60.00	K84.00	K144.00	K10.26
3	March	31 March	275	K60.00	K84.00	K144.00	K9.22
4	April	30 April	245	K60.00	K84.00	K144.00	K8.22
5	May	31 May	214	K60.00	K84.00	K144.00	K7.18
6	June	30 June	184	K60.00	K84.00	K144.00	K6.17
7	July	31 July	153	K60.00	K84.00	K144.00	K5.13
8	August	31 August	122	K60.00	K84.00	K144.00	K4.09
9	September	30 September	92	K60.00	K84.00	K144.00	K3.09
10	October	31 October	61	K60.00	K84.00	K144.00	K2.05
11	November	30 November	31	K60.00	K84.00	K144.00	K1.04
12	December	31 December	10	K60.00	K84.00	K144.00	K0.34
			Total Interest Earned on Monthly Contributions over 2014			K1,728.00	K67.97

A + B

Overall Interest Earned from the 8.5%	A = K 579.71	B = K 67.97	K647.69	<i>Year two Closing Balance after crediting of interest:</i>	K9,195.85
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Policies required under the prudential standards

Reserving Management Policy

1. PURPOSE OF THE RESERVING MANAGEMENT POLICY

1.1 The purpose of this policy is to provide a framework for the Trustee Board when determining the approach to reserves (if any), and investment of any reserves.

2. LEGISLATIVE REQUIREMENTS

2.1 The primary legislative document governing the superannuation industry is the Superannuation Act 2000 (as amended). Section 71A of the Act refers to Reserves.

2.2 The Trustee Board is also required to adhere to various Prudential Standards and in relation to reserving management and the investment of any funds held in reserve. Superannuation Prudential Standard 1/2014 Authorised Superannuation Fund Investments (PS 1/2014) refers. Paragraphs 14 and 15 refer in detail to Reserving Policy, and investment of any reserves (if applicable).

3. WHAT ARE RESERVES, AND WHY WOULD NASFUND HOLD RESERVES?

3.1 Superannuation funds generally seek to pay out all, or virtually all, earnings for a period to the members in the Fund at that time. This is generally seen as a fair and equitable distribution to all members, whether they be current, exiting or prospective members, as those members current at any time receive current earnings (which can be negative as well as positive).

3.2 Reserves are part of the earnings of a given period, which are not paid out in that period, and are kept “in reserve” for a future period.

3.3 Not all unallocated monies constitute reserves. Unallocated monies that are not reserves include accounting constructs such as suspense accounts, and accounts for accrued expenses and provisions for administration expenses, taxation or building maintenance as well as any provisions required pursuant to accounting standards.

3.4 Superannuation funds may want to keep a level of reserves from one period to be spent or allocated to member accounts in a future period.

3.5 A common type of reserve is one used to smooth Crediting Rates over time, in this paper referred to as an Investment Fluctuation Reserve (IFR). Some members of Superannuation Funds feel more secure if Crediting Rates were smoother, rather than having volatile returns from year to year. Other members, particularly those close to retirement, may feel disadvantaged if earnings are not distributed in full. The Australian Prudential Regulation Authority (APRA) notes that portability of benefits between funds has “caused trustees to reconsider the appropriateness of IFR’s and, as a result, many [IFR’s] have been dispensed with” (Source: APRA Prudential Practice Guide SPG 235).

3.6 Other common reserves include funds held to pay for multi-year expenses such as system upgrades (Administration Reserves), funds held instead of paying insurance premiums (Self Insurance Reserves), or funds held in case of a future expense arising from unexpected human or system failure (Operational Risk Reserves).

3.7 The Trustee Board of NASFUND is mindful of the competing interests of separate groups of members, especially the possibility that some members may pay towards a reserve and leave the Fund without receiving a corresponding benefit. For reasons of member fairness therefore, NASFUND Trustee Board expects Crediting Rates to reflect Fund earnings in the relevant period (which may be positive or negative).

3.8 Where reserves are maintained, the Trustee Board will establish a comprehensive management strategy which will contain appropriate objectives for which the reserves are established as well as measures to manage the reserves.

3.9 Before establishing a reserve, the Trustee Board will clearly describe why the reserve is to be established, and its ongoing purpose. If reserves are to be established, the Trustee Board may establish a separate reserve for each identified purpose or may cover more than one purpose through a single reserve account.

3.10 If more than one purpose is to be covered through one reserve, the Trustee Board would only do so if the identified purposes are fundamentally similar in nature, and if the management of one reserve is adequate to prudently manage the separate purposes over time.

3.11 Other types of reserves that might be maintained by Superannuation Funds include Contributions Reserves, Self-insurance Reserves, Compliance Reserves, Administration Reserves and Liquidity Reserves. The Trustee Board does not intend to open reserves to manage these risks at this time.

3.12 The Trustee Board has decided to limit the possible reserves to manage just three specific categories: Administration, Investment Fluctuation and Operational Risk.

3.13 If reserves are maintained these are not expected to be “large” (Section 71A of the Superannuation Act suggests reserves in aggregate should not exceed 2% of the Fund’s assets), and not be allowed to have a negative value.

4. ADMINISTRATION RESERVE AND ASSOCIATED INVESTMENT STRATEGY

4.1 The Trustee Board reserves the right to create/maintain an Administration Reserve.

4.2 An Administration Reserve would be maintained to hold funds ready for future administration expenses, to ensure the Trustee’s solvency and support its business operations. Such a reserve may have merit as the Trustee for National Superannuation Fund (NASFUND) is a not-for-profit trustee, and therefore does not have access to accrued earnings in the event of emergency. Such a reserve, therefore, may be seen as similar to minimum capital requirements for banks and insurance companies.

4.3 If the Trustee Board chooses to maintain an Administration Reserve, such a reserve is not expected to be more than 0.5% of the Net Assets of Fund, and to never be negative. At the time of writing, the Trustee Board does not maintain an Administration Reserve.

4.4 Associated investment strategy: Funds held in an Administration Reserve will be separately accounted for, apart from the general investment pool of member’s funds. Given that such a reserve is intended to be called on to cover unexpected administration costs, the Administration Reserve funds would be invested conservatively, and in low risk investments such as bank deposits or Treasury Bills (guaranteed by the State of Papua New

Guinea). The Fund will account for such reserves separately, but the actual funds may be invested along with other Fund investments of a similar nature.

5. INVESTMENT FLUCTUATION RESERVE AND ASSOCIATED INVESTMENT STRATEGY

5.1 The Trustee Board reserves the right to create/maintain an Investment Fluctuation Reserve.

5.2 An Investment Fluctuation Reserve (IFR) would be maintained to hold funds for future years, in order to minimize the impact of market fluctuations on members’ account balances and to smooth Crediting Rates over a number of years. For example, to increase the Crediting Rate in a year in which earnings are temporarily low, or to reduce the Crediting Rate in a year in which earnings are temporarily high.

5.3 If the Trustee Board chooses to maintain an IFR, such a reserve is not expected to be more than 2.0% of the Net Assets of Fund, and to never be negative. At the time of writing, the Trustee Board maintains an Investment Fluctuation Reserve.

5.4 Associated investment strategy: Funds held in an Investment Fluctuation Reserve will be separately accounted for, apart from the general investment pool of member’s funds. Given that such a reserve is intended to be called on to smooth Crediting Rates in periods of temporary volatility, the IFR funds would be invested conservatively, and in low risk investments such as bank deposits or Treasury Bills (guaranteed by the State of Papua New Guinea). The Fund will account for such reserves separately, but the actual funds may be invested along with other Fund investments of a similar nature.

6. OPERATIONAL RISK RESERVE AND ASSOCIATED INVESTMENT STRATEGY

6.1 The Trustee Board reserves the right to create/maintain an Operational Risk Reserve.

6.2 An Operational Risk Reserve would be maintained to hold funds for future years, in order to have funds available in the event of an operational error such as system or human error.

6.3 The Fund seeks to reduce operational risks to a minimum through robust policies and procedures, and policing these procedures through regular

Policies required under the prudential standards

internal and external audits. The Fund has a Risk Management Framework and holds insurance policies against losses due to operational error (including fraud), and the Trustee Board does not see an Operational Risk Reserve as a substitute for proper care and diligence.

6.4 The Trustee Board expects third party providers to make good their own errors, and insurance policies are maintained as well. However, claims against a service provider or insurance policy, even if lodged immediately, will often be paid with a delay, may be settled for less than the full amount or may not be accepted by the insurance company or service provider, resulting in litigation and associated costs. An appropriate Operational Risk Reserve would assist the Trustee to meet the costs of rectifying errors without having to await the outcome of recovery action against third parties, thus benefitting members through continuity of service.

6.5 Associated investment strategy: Funds held in an Operational Risk Reserve will be separately accounted for, apart from the general investment pool of member's funds. Given that such a reserve is intended to be called on to make good the costs of operational errors, the Operational Risk Reserve funds would be invested conservatively, and in low risk investments such as bank deposits or Treasury Bills (guaranteed by the State of Papua New Guinea). The Fund will account for such reserves separately, but the actual funds may be invested along with other Fund investments of a similar nature.

7. ANNUAL REVIEW OF RESERVING MANAGEMENT POLICY

7.1 The Trustee Board will review the Reserving Management Policy on a regular basis and at least annually.

Interim Crediting Rate Policy

1. PURPOSE OF THE INTERIM CREDITING RATE POLICY

1.1 The purpose of this policy is to provide a framework for the Trustee Directors when determining the Interim Crediting Rate.

2. LEGISLATIVE REQUIREMENTS

2.1 The primary legislative document governing the superannuation industry is the Superannuation (General Provisions) Act 2000 (as amended).

2.2 The Trustee Board is also required to adhere to various Prudential Standards and in relation to Interim Crediting Rates, the Superannuation Prudential Standard 1/2014 Authorised Superannuation Fund Investments (PS 1/2014) refers. Paragraph 17 (a – d) refers in detail.

2.2.1 PS 1/2014 Paragraph 17 (a) states that "Trustee Board must develop and document an Interim Crediting Rate Policy, in consultation with the Licensed Investment Manager, for the members who exit the ASF before the final crediting rate has been approved, must be included in the Investment Framework."

2.2.2 PS 1/2014 Paragraph 17 (b) states that "The Interim Crediting Rate must be fair and equitable for all the members of the ASF, including the exiting, current and prospective members."

2.2.3 PS 1/2014 Paragraph 17 (c) states that "The Interim Crediting Rate must be reviewed on a regular basis (at least annually)."

2.2.4 PS 1/2014 Paragraph 17 (d) states that "The Interim Crediting Rate Policy must be published in the Annual Report to members and the public section of each ASF's web site."

3. WHAT IS A CREDITING RATE?

3.1 At Nasfund, members' superannuation investment return is determined by a crediting rate.

3.2 The crediting rate (expressed as a percentage) is equal to the investment earnings of the Fund less tax and costs after allowing for any reserves. (Reserves are funded by small reductions in the Annual Crediting Rate. See the Fund's Reserving Management Policy for details).

3.3 The Fund applies an Annual Crediting Rate, based on the audited financial accounts for the year. This usually occurs in Quarter 1 of the following year.

3.4 The Annual Crediting Rate applies to all members who were members of the fund for the past financial year and remain members when the Annual Crediting Rate is declared.

4. WHAT IS AN INTERIM CREDITING RATE?

4.1 The Trustee Board recognizes that some members leave the Fund during the year and that earnings accrue at varying rates through the year due to investment market moves.

4.2 Accordingly, the Trustee Board estimates an Interim Crediting Rate throughout the year at each Investment Committee Meeting. The Interim Crediting Rate is a notional return that can be applied to member accounts during the current financial year period.

4.2.1 This Interim Crediting Rate is applied and paid only to member accounts of those members leaving the fund.

4.2.2 While this can be applied at any time, should market moves be of sufficient magnitude to require it, the fund may revise its Interim Crediting Rate.

4.2.3 The Trustee Board formally requires the Investment Committee at each of its scheduled meetings throughout the year to consider whether to change the Interim Crediting Rate and has delegated authority to the Investment Committee to implement such changes as soon as practicable.

5. HOW IS THE INTERIM CREDITING RATE DETERMINED?

5.1 The Trustee Board seeks to value the assets of the Fund as often as practical, in order to reflect fair values to member balances. However, the nature of unlisted assets means that valuation changes are usually only reflected in asset values once a year.

5.2 In determining the Interim Crediting Rate, the trustee considers the potential estimates of how returns are performing for the year and the Investment Committee considers the COO and GMI forecast Annual Crediting Rate. The trustee is

conscious that exiting members might be unfairly advantaged if the Interim Crediting Rate applied to the exiting member's account turns out to be substantially higher than the Annual Crediting Rate applied for the full year. Accordingly, the Interim Crediting Rate will be estimated slightly conservatively to avoid exiting members gaining an unfair advantage.

5.3 If the trustee Investment Committee determines there is a change in the Interim Crediting Rate from the previous period, the Licensed Fund Administrator is then advised of the Interim Crediting Rate to be applied to member accounts of members leaving.

6. HOW IS THE INTERIM CREDITING RATE APPLIED?

6.1 In line with international practice, the Licensed Fund Administrator applies the Interim Crediting Rate using a time weighted rate of return basis. (For a worked example of how this is done, see Appendix 1).

7. MEMBER EQUITY AND FAIRNESS

7.1 The Trustee Board recognizes that any Interim Crediting Rate must be fair to all members of the fund, including current, exiting and prospective members and uses the following:

7.2 Estimation. The Trustee Board believes that estimating current period returns as the basis for that period's crediting rate is the best way to ensure member equity and fairness.

7.3 Frequency. The Trustee Board recognizes more frequent crediting rates improve member equity and fairness, and seek to balance the costs of more frequent valuations against the benefits of more frequent crediting rates.

8. REVIEW OF THIS POLICY

8.1 This Interim Crediting Rate Policy will be reviewed regularly and such a review will be done at least annually.

"Appendix 1 - this is identical to Appendix 1 of the Annual Crediting Rate Policy."

(Refer table on page: 47)

Policies required under the prudential standards

Policy on the use of derivatives

1. PURPOSE OF THE POLICY ON THE USE OF DERIVATIVES

1.1 The purpose of this policy is to provide the guiding principles for the use and oversight of derivatives in management of the Fund's investment assets.

1.2 The objective of this policy is to provide a framework for use and control of derivatives and to ensure the Fund has effective operational, risk management and compliance controls when using derivatives.

2. LEGISLATIVE REQUIREMENTS

2.1 The primary legislative document governing the superannuation industry is the Superannuation (General Provisions) Act 2000 (as amended).

2.2 The Trustee Board is also required to adhere to various Prudential Standards and in relation to the use of derivatives. The Superannuation Prudential Standard 1/2014 Authorised Superannuation Fund Investments (PS 1/2014). Paragraph 34 (a – h) refers in detail.

2.3 Prudential Standard 1 / 2014, Paragraph 34 (e) states that "Trustee Board must develop, document, and maintain a Policy on the use of Derivatives, in consultation with the Licensed Investment Manager, and include the policy as part of the Investment Framework"

2.4 Prudential Standard 1 / 2014, Paragraph 34 (f) states that "Trustee Board in consultation with the Licensed Investment Manager, must develop, document, and maintain an appropriate risk management framework to capture, measure, monitor and manage the potential risks of any derivatives positions taken directly or indirectly. The risk management system must be sophisticated enough to measure risks on an aggregate basis"

2.5 Prudential Standard 1 / 2014, Paragraph 34 (h) states that "The Policy on the Use of Derivatives must be published in the Annual Report to members and be published in the public section of each ASF's website"

3. RESPONSIBILITIES AND ACCOUNTABILITY

3.1 The ultimate responsibility for the sound and prudent investment of members' funds rests with the trustee Board.

3.2 The Licensed Trustee has a written Investment Framework governing the selection, management and monitoring of investments risks and ensures the Trustee Board, and all those (internal and external) responsible for implementation of the Framework and the Investment Strategy act with a high degree of integrity and for the benefit of members.

3.3 This Policy on the Use of Derivatives forms part of the totality of systems, structures, policies, processes and people to address the Trustee Board's responsibilities with regard to investments of the Fund.

3.4 This Policy should be read in conjunction with the Investment Framework, and the Risk Management Framework.

3.5 The Trustee Board in consultation with the Licensed Investment Manager, has developed a risk management framework to capture, measure, monitor and manage the potential risks of any derivatives positions taken directly or indirectly.

3.6 The Investment Division and the Licensed Investment Manager are tasked with the on-going monitoring of the investment portfolio, including derivatives, if any. The Investment Committee is tasked with regular review of the investment portfolio, including derivatives, if any, and the IC reports to the Trustee Board as part of that regular review.

4. DEFINITION OF A DERIVATIVE

4.1 A derivative is a financial instrument whose value depends on, or is derived from, the value of some other underlying asset, including but not limited to interest rate, currency rate or a variety of indices.

4.2 Generally there are five main categories of derivatives identified by the assets from which they are derived:

- 4.2.1 Equity derivatives;
- 4.2.2 Currency derivatives;
- 4.2.3 Interest rate derivatives;
- 4.2.4 Credit derivatives; and
- 4.2.5 Commodity derivatives.

4.3 Common types of derivatives include futures contracts, forward contracts, options and swaps, each with its own regulatory, risk and documentation requirements.

4.4 Derivatives can be traded through exchanges or privately 'over the counter' (OTC).

5. AUTHORIZED USE OF DERIVATIVES

5.1 Paragraph 34 (b) of PS 1 / 2014 establishes responsibilities on members of the Trustee Board (see below 6.3.2). Accordingly, The Trustee Board will set a very high requirement for disclosure and understanding before approving the use of any derivatives.

5.2 The Fund's Trust Deed permits the use of derivatives. Section 9.2 (g) of the Trust Deed refers.

5.3 That said, the Trustee Board will only permit the use of derivatives subject to certain guiding principles. These are as follows:

5.4 The Licensed Trustee and the Licensed Investment Manager will ensure that the assets and liabilities of the Fund will not include a derivative, except where allowed under Paragraph 34 (b) to (e) of Prudential Standard 1 / 2014. See PS 1 / 2014 paragraph 34 (a).

5.5 The Trustee Board will ensure that at any time the assets and liabilities of the Fund will not include a derivative unless each Director of the Trustee Board fully understands and is able to explain the potential risks of any derivatives positions taken directly or indirectly. See PS 1 / 2014 paragraph 34 (b).

5.6 Derivatives will only be used to reduce the risk of existing investments or currency positions. See PS 1 / 2014 paragraph 34 (c).

5.7 Derivatives may only be used when the exposure is fully covered by the assets of the Fund. PS 1 / 2014 paragraph 34 (d).

5.8 Derivatives will not be used to obtain exposure that is substantially different from that which could be obtained through physical securities.

5.9 The use of any derivatives would specifically consider liquidity management as part of the consideration in using any derivative.

5.10 It is possible that some collective investment vehicles, such as mutual funds, in which the Fund invests may themselves allow derivatives, for other than purely hedging purposes. The Investment Division and the Licensed Investment Manager are required to address the issue of 'embedded derivatives' in such investment vehicles as part of the consideration of any new investment. If such investments are deemed to breach the guiding principles on the use of derivatives, in literal interpretation or in the spirit of these principles, then the Fund will not invest in such an investment.

6. REVIEW OF THIS POLICY

6.1 This Policy on the Use of Derivatives will be reviewed regularly by the Licensed Investment Manager and the Trustee Board, and such a review will be done at least annually.

National Superannuation Fund

FINANCIAL STATEMENTS FOR THE YEAR ENDED **31 DECEMBER 2022**

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National Superannuation Fund
Financial statements for the year ended 31 December 2022

Fund Information

National Superannuation Fund ("Fund", "Nasfund" hereinafter) is a registered trust in accordance with the Superannuation (General Provisions) Act 2000 and is incorporated and domiciled in Papua New Guinea.

Principal place of business	Level 4, BSP House Harbour City Port Moresby, N.C.D. Papua New Guinea
Trustee	National Superannuation Fund Limited
Directors of the Trustee Company	Ms. Tamzin Wardley, LM, MBE – Chairwoman [appointed as Chairwoman 1 st October 2022] Mr. Charles Vee [resigned as Chairman 30 th September 2022] Mr. Kepas Wali Mr. Leon Buskens Ms. Florence Willie Mr. Michael Murphy Mr. George Panao [resigned 31 st May 2022] Mr. Anthony Yaueib Ms Julienne Leka-Maliaki Mr. Christopher Elphick [appointed 8 th September 2022] Mr. Chey Scovell [appointed 1 st March 2023]
Secretary	Ms. Doris Gedare
Auditors	Deloitte Touche Tohmatsu Level 9 Deloitte Haus Macgregor Street Port Moresby, N.C.D. Papua New Guinea
Fund Administrators	Kina Investments and Superannuation Services Limited
Licensed Investment Manager	BSP Capital Limited
Bankers	Bank South Pacific Limited Australia & New Zealand Banking Group (PNG) Limited Kina Bank Limited
Lawyers	Ashurst Lawyers Dentons (PNG) Lawyers Posman Kua Aisi (PKA) Lawyers Warner Shand Lawyers Corrs Chambers Westgarth Allens Linklaters
Professional Indemnity Insurance	QBE Insurance
Property and Facilities Manager	Ashton Brunswick

**National Superannuation Fund
Financial statements for the year ended 31 December 2022**

Report of the Trustee of the Fund

The Directors of the Trustee have the pleasure in submitting their report and the financial statements of National Superannuation Fund ("the Fund") for the year ended 31 December 2022.

Activities

The principal activities of the Fund during the year was the management of retirement funds for employees in the private sector and State-owned entities throughout Papua New Guinea.

There were no significant changes in the nature of the activities of the Fund during the year.

Results

The net profit after tax for the year was K256.275 million (2021: profit after tax of K363.290 million).

Directors

The directors of the Trustee at the date of the report of the Fund are listed on page 55. No director of the Trustee had any material interest in any contract or arrangement with the Fund or any related entity during the year end 31 December 2022.

Remuneration of Trustee Directors

The remuneration of Trustee Directors received during the year, is as follows:

Director's name	31 Dec 2022	31 Dec 2021
	K	K
Tamzin Wardley, LM, MBE – Chairwoman	218,276	198,276
Charles Vee	211,034	208,966
Leon Buskens	196,552	193,103
Kepas Wali	198,276	186,207
Florence Willie	212,069	203,448
Michael Murphy	210,345	196,552
George Panao	100,000	201,724
Anthony Yauieb	219,655	208,621
Julienne Leka-Maliaki	206,897	203,793
Mr. Christopher Elphick	58,851	-
	1,831,955	1,800,690

Costs in relation to travel and meeting expenses, are incurred by Nasfund.

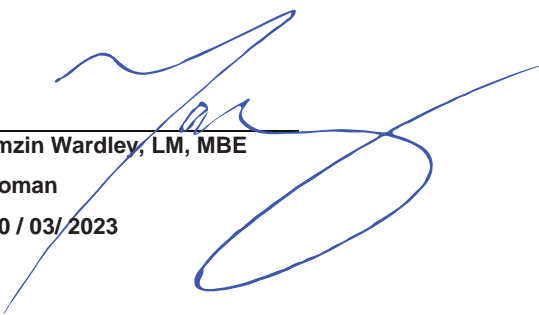
Remuneration of Employees

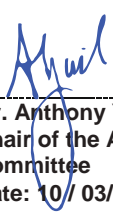
The number of employees (not including directors) whose remuneration exceeds K100,000 in bands of K50,000 is disclosed in note 18. Board fees and sitting allowances disclosed in note 22 are taxed accordingly.

Interests Register

Interests of the Directors of the Trustee and key management personnel as recorded in the interests register are disclosed in note 22.

Signed on behalf of the Board of Directors of the Trustee of National Superannuation Fund.


Ms. Tamzin Wardley, LM, MBE
 Chairwoman
 Date: 10 / 03/ 2023


Mr. Anthony Yauieb
 Chair of the Audit and Risk
 Committee
 Date: 10/ 03/ 2023

National Superannuation Fund Financial statements for the year ended 31 December 2022

Trustees' Declaration

In our opinion, the financial statements and the accompanying notes set out on pages 62 to 98 are drawn up so as to give a true and fair view of the financial position as at 31 December 2022 and the financial performance for the year ended on that date of the National Superannuation Fund in so far as they concern members of the National Superannuation Fund.

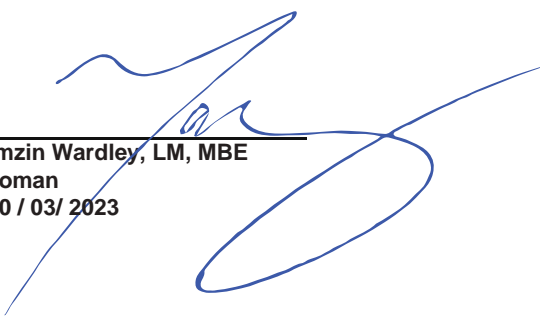
The Board of the Trustee has satisfied themselves that they have:

- 1) Identified the key financial and operational risks;
- 2) Established systems to control and monitor those risks including adherence to prudent policies and procedures, reasonable operating limits and adequate and timely reporting processes;
- 3) Ensured the risk management systems are operating effectively and are adequate in regards to the risks they are designed to control; and
- 4) No apparent conflicts of interest with respect to National Superannuation Fund's engagement of an external auditor which may compromise the independence of the auditor's performance.

The Financial Statements have been drawn up in accordance with International Financial Reporting Standards and the requirements of the Superannuation (General Provisions) Act 2000 and requirements of the Trust Deed of the National Superannuation Fund dated 31 May 2002.

DATED at PORT MORESBY this 10th day of March 2023.

For and on behalf of the Board of Directors of the Trustee of National Superannuation Fund.



Ms. Tamzin Wardley, LM, MBE
Chairwoman
Date: 10 / 03/ 2023



Mr. Anthony Yauieb
Chair of the Audit and Risk Committee
Date: 10 / 03/ 2023

National Superannuation Fund
Financial statements for the year ended 31 December 2022

Management's Declaration

In our opinion, the financial statements set out on pages 62 to 98 are drawn up so as to give a true and fair view of the financial position as at 31 December 2022 and the financial performance for the year ended on that date of the National Superannuation Fund in so far as they concern members of the National Superannuation Fund.

Management has satisfied themselves that it has:

- 1) Identified the key financial and operating risks;
- 2) Established systems to control and monitor those risks including adherence to prudent policies and procedures, reasonable operating limits and adequate and timely reporting processes;
- 3) Ensured the risk management systems are operating effectively and are adequate in regards to the risks they are designed to control; and
- 4) No apparent conflicts of interest with respect to National Superannuation Fund's engagement of an external auditor which may compromise the independence of the auditor's performance.

The Financial Statements have been drawn up in accordance with International Financial Reporting Standards and the requirements of the Superannuation (General Provisions) Act 2000 and requirements of the Trust Deed of the National Superannuation Fund dated 31 May 2002.

DATED at PORT MORESBY this 10th day of March 2023.

For and on behalf of the Management of National Superannuation Fund.



Mr. Ian A Tarutia, OBE
Chief Executive Officer
Date: 10 / 03/ 2023



Mr. Rajeev Sharma
Chief Financial Officer
Date: 10 / 03/ 2023

Independent Auditor's Report to the Members of National Superannuation Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of National Superannuation Fund (the "Fund"), which comprises the statement of financial position as at 31 December 2022, the statement of profit or loss and other comprehensive income, statement of changes in members' funds and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the Trustees' and Management's declaration.

In our opinion the accompanying financial statements given a true and fair view of the Fund's financial position as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, Superannuation (General Provisions) Act 2000 (Amended 2020) and the Superannuation Prudential Standards.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the auditor independence requirements of the International Ethics Standards Board for Accountants (IESBA) Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Directors of National Superannuation Fund Limited ("the Trustee") (the 'Directors') and management of the Fund are responsible for the other information. The other information comprises the information included in the Fund's Annual Report, including the Fund Information and the Report of the Trustee of the Fund, for the year ended 31 December 2022, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors and Management for the Financial Statements

The Directors and management of the Fund are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the the Superannuation (General Provisions) Act 2000 (Amended 2020) and the Superannuation Prudential Standards issued by the Bank of Papua New Guinea, and for such internal control as the Directors determine is necessary to enable the preparation and fair presentation of the financial statements and is free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors and management of the Fund are responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the International Standards on Auditing

from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial statements.

As part of an audit in accordance with the International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

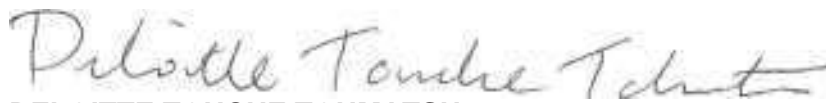
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors and management.

- Conclude on the appropriateness of the Directors and management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management and the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

- Relevant ethical requirements for auditor independence are set out in IESBA international Code of Ethics for Professional Accountants. Due to certain members of the audit team being members of the Fund as required by law, some of the relevant ethical requirements are not met. We have communicated with the Board of Trustees of the Fund and the Bank of PNG regarding the safeguards implemented to reduce any threats to our independence to an acceptable level, and these are considered sufficient to enable us to issue our independent auditors' report to the Board of the Trustee of the Fund.
- Proper accounting records have been kept by the Fund as far as appears from our examination of those records.



DELOITTE TOUCHE TOHMATSU



Helen Hamilton - James

Partner

Registered under the Accountants Act 1996

Port Moresby, 10 March 2023.

**National Superannuation Fund
Statement of Financial Position
As at 31 December 2022**

	Note	31 Dec 2022 K000	31 Dec 2021 K000
Investment assets			
Cash at bank and on hand	21	163,554	226,502
Investment in financial assets	8	3,323,115	2,876,367
Property and other receivables		37,741	35,024
Equity investments	9	2,292,064	2,316,346
Investment properties	10	519,512	529,135
		6,335,986	5,983,374
Other assets			
Withholding taxes recoverable		21	6,440
Current tax assets	12(b)	1,655	-
Other receivables		1,480	1,811
Property and equipment	11	12,331	11,486
		15,487	19,737
Total assets		6,351,473	6,003,111
Current liabilities			
Sundry creditors and accruals	13	17,095	16,098
Current tax liability	12 (b)	-	13,612
Provisions for employee entitlements	14	1,423	996
		18,518	30,706
Non-current liabilities			
Deferred tax liability (net)	12 (c)	30,307	29,776
Provisions	14	2,997	2,388
		33,304	32,164
Total liabilities		51,822	62,870
Net assets		6,299,651	5,940,241
Represented by			
Liability for accrued benefits			
- Allocated funds		5,961,888	5,510,188
- Unallocated contributions		76,380	62,487
- Unallocated earnings		261,383	367,566
Total member funds		6,299,651	5,940,241


Ms. Tamzin Wardley, LM MBE
Chairwoman
Date: 10 / 03/ 2023


Mr. Anthony Yauieb
Chair of the Audit and Risk Committee
Date: 10 / 03/ 2023

The Statement of Financial Position is to be read in conjunction with the notes to, and forming part of, the Financial Statements.

National Superannuation Fund
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2022

	Note	31 Dec 2022 K000	31 Dec 2021 K000
Investment income			
Interest income	16	288,584	274,616
Dividend Income	16	156,845	117,272
Property rentals		47,980	51,319
Movement in net fair value of investments	15	(44,063)	97,571
Impairment losses on financial assets		(9,301)	(6,854)
Gain/(loss) on disposal of shares		-	-
Net foreign exchange gain/(loss)		(40,026)	(18,862)
		400,019	515,062
Less: property costs		(21,670)	(23,573)
Net investment income		378,349	491,489
Other income and expenses			
Sundry income		16	957
Profit / (Loss) on disposal of fixed assets		(510)	-
		(494)	957
Expenditure			
Staff related expenses	18	(28,275)	(25,209)
Fund administration fee		(9,921)	(9,199)
Investment management fee		(6,320)	(5,673)
Advertising		(3,469)	(1,521)
Depreciation		(1,748)	(1,680)
Board expenses		(2,369)	(2,053)
Bank of PNG regulatory fees		(3,855)	(4,224)
Other administration expenses		(16,368)	(13,066)
		(72,325)	(62,625)
Profit before tax		305,530	429,821
Income tax expense	12	(49,255)	(66,531)
Profit for the year		256,275	363,290
Other comprehensive income		-	-
Total comprehensive income for the year		256,275	363,290

The Statement of Comprehensive Income is to be read in conjunction with the notes to, and forming part of, the Financial Statements.

**National Superannuation Fund
Statement of Changes in Members' Fund
For the year ended 31 December 2022**

	Allocated Funds K000	Unallocated Contribution K000	Unallocated Earnings K000	Total K000
As at 1 January 2021	5,275,611	52,406	245,672	5,573,689
Profit for the year			363,290	363,290
Total comprehensive income for the year	-	-	363,290	363,290
Contributions received	-	589,376	-	589,376
Allocated contributions	579,295	(579,295)	-	-
Interim interest	5,861	-	(5,861)	-
Benefits paid to members	(586,114)	-	-	(586,114)
Interest allocated to members' accounts	235,535	-	(235,535)	-
Transfer of revaluation reserve	-	-	-	-
As at 31 December 2021	5,510,188	62,487	367,566	5,940,241
Profit for the year	-	-	256,275	256,275
Total comprehensive income for the year	-	-	256,275	256,275
Contributions received	-	650,029	-	650,029
Allocated contributions	636,136	(636,136)	-	-
Interim interest	8,338	-	(8,338)	-
Benefits paid to members	(546,894)	-	-	(546,894)
Interest allocated to members' accounts	354,120	-	(354,120)	-
As at 31 December 2022	5,961,888	76,380	261,383	6,299,651

Allocated funds represent National Superannuation Fund's obligation to pay benefits to members and beneficiaries arising as at 31 December 2022.

Unallocated contribution represent deposits not yet allocated to members due to insufficient documentation and due to deposits recently received prior to 31 December and not yet processed.

Unallocated earnings represent profits not yet allocated to members at 31 December. Each year the final allocation of current year earnings would be approved by the board of directors subsequent to year end and credited to member accounts in the ensuing financial year.

The Statement of Changes in Members' Funds is to be read in conjunction with the notes to, and forming part of, the Financial Statements.

National Superannuation Fund
Statement of Cash flows
For the year ended 31 December 2022

	Note	31 Dec 2022 K000	31 Dec 2021 K000
Cash flows from operating activities			
Interest received		270,598	259,814
Rent received		45,266	66,405
Dividend received		115,396	92,670
Wages and administration payments		(70,198)	(74,361)
Income tax paid	12	(14,199)	(18,403)
Rental expenses paid		(21,670)	(23,572)
Net cash from operating activities		325,193	302,553
Cash flows from investing activities			
Purchase of property and equipment		(2,890)	(2,351)
Proceeds from sale of property and equipment		475	-
Investments in investment property		(10,201)	(4,673)
Proceeds from sale of property investments		13,582	-
Investments in equity		(54,155)	(31,185)
Investments in government securities and other loans		(437,921)	(295,730)
Net cash (used in) investing activities		(491,110)	(333,939)
Cash flows from financing activities			
Contributions received		650,029	589,376
Benefits paid		(546,894)	(586,114)
Net cash from financing activities		103,135	3,262
Increase/ (Decrease) in cash and cash equivalents			
Effect of exchange rate fluctuations	17	(166)	(174)
Cash and cash equivalents at the beginning of the year		226,502	254,800
Cash and cash equivalents at the end of the year	21	163,554	226,502

The Statement of Cash Flows is to be read in conjunction with the notes to, and forming part of, the Financial Statements.

National Superannuation Fund
Notes to, and forming part of, the financial statements
For the year ended 31 December 2022

1. General Information

Operations of Nasfund

National Superannuation Fund ("the Fund" or "Nasfund") is a defined contribution superannuation fund established pursuant to the *Superannuation (General Provisions) Act 2000*. The Fund primarily is involved in the management of retirement funds for employees in the private sector and State-Owned Entities throughout Papua New Guinea.

Under the Trust Deed number 220228, National Superannuation Fund Limited is the Trustee of the Fund governed by a Board of Directors.

The Fund is domiciled in Papua New Guinea and the address of the Fund's registered office is Level 4, BSP House, Harbour City, Port Moresby, Papua New Guinea.

Statement of compliance

The financial statements of the Fund have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the Accounting Standards Board of Papua New Guinea (ASB), the requirements of the *Superannuation (General Provisions) Act 2000* and the Superannuation Prudential Standards issued by the Bank of Papua New Guinea.

The financial statements of the Fund for the year ended 31 December 2022 were authorised for issue by the Board of Directors of the Trustee, on 06/03/2023 and signed on 10/03/2023.

2. Basis of preparation

The financial statements have been prepared primarily on the historical cost basis except for the following material items in the Statement of Financial Position which are measured at fair value:

- financial instruments at fair value through profit or loss;
- certain financial instruments carried at amortised cost;
- investment property carried at fair value through profit and loss.

Functional and presentation currency

The financial statements are presented in the currency of Papua New Guinea, the Kina, which is the Fund's functional currency, and amounts are rounded to the nearest thousand.

Investments in controlled and associated entities

The Fund's interest in controlled entities and entities in which it holds significant influence are treated as investments of the Fund and these investments are measured at fair value.

Use of estimates and judgments

In the application of the Fund's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on the historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods if affected.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the date of the statement of financial position, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year, are discussed on page 67.

National Superannuation Fund
Notes to, and forming part of, the financial statements
For the year ended 31 December 2022

2. Basis of preparation (continued)

Estimation uncertainty (continued)

Valuation of investment properties

There are significant challenges in the PNG market with the lack of transparency in terms of the disclosure of sales and rental evidence and availability of benchmarking data. To address these challenges in determining the fair value of investment properties, the Fund has engaged independent appraisers to provide their views on the estimated fair value of the material investments within the portfolio. Such fair values were determined based on the capitalization of rent, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices. The Fund has then assessed these valuations, together with their knowledge of the market and the economy in PNG. The amounts and timing of recorded changes in fair value for any period would differ if the Fund made different judgments and estimates or utilised different basis for determining fair value.

The fair value methodology and any unobservable inputs that would be applicable to estimation for investment properties are considered in notes 4 (i) and 10 (b).

Valuation of financial assets and liabilities

The Fund carries most of its financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgment. While significant components of fair value measurement were determined using verifiable objective evidence, i.e., foreign exchange rates, interest rates, volatility rates, future cash flows, discount to net asset, the amount of changes in fair value would differ if the Fund utilised different assumptions or estimates for those rates. Any changes in fair value of these financial assets and liabilities would affect profit or loss and equity.

The fair value methodologies and unobservable inputs used in calculating the financial assets and liabilities of the Fund are considered in notes 4 (ii) to (v), 9(e), 10 (b) and 23(e).

Contingent liabilities

The Fund is currently involved in various legal proceedings as disclosed in note 20. Estimates of probable costs for the resolution of these claims have been developed in consultation with outside counsel handling the defence in these matters and is based upon an analysis of potential results. The Fund currently does not believe these proceedings will have a material adverse effect on the statement of financial position. It is possible, however, that future results of operations could be materially affected by changes in the estimates, or in the effectiveness of the Fund's strategies relating to these proceedings, or in the application of new and revised International Financial Reporting Standards.

Going Concern

The financial report has been prepared on a going concern basis, which contemplates the continuation of normal business operations and the realisation of assets and settlement of liabilities in the normal course of business. In making this assessment, the Board has considered future events and conditions for the period of 12 months following the approval of these financial statements. The Board remains confident that Nasfund will be able to continue as a going concern as the Fund's assets significantly outweigh its liabilities, excluding liabilities for future benefits payable to members, and it has sufficient liquidity to meet its debts as and when they fall due.

Application of new and revised International Financial Reporting Standards

In the current year, the Fund has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2022.

Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

National Superannuation Fund
Notes to, and forming part of, the financial statements
For the year ended 31 December 2022

2 Basis of preparation (continued)

Application of new and revised International Financial Reporting Standards (continued)

Amendments to IFRS 3 Reference to the Conceptual Framework

The Fund has adopted the amendments to IFRS 3 Business Combinations for the first time in the current year. The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

Amendments to IAS 16 Property, Plant and Equipment - Proceeds before Intended Use

The Fund has adopted the amendments to IAS 16 Property, Plant and Equipment for the first time in the current year. The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories. The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes. If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

Amendments to IAS 37 Onerous Contracts - Cost of Fulfilling a Contract

The Fund has adopted the amendments to IAS 37 for the first time in the current year. The amendments specify that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

Annual Improvements to IFRS Accounting Standards 2018 - 2020 Cycle

The Fund has adopted the amendments included in the Annual Improvements to IFRS Accounting Standards 2018-2020 Cycle for the first time in the current year. The Annual Improvements include amendments to two standards.

IFRS 9 Financial Instruments

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

IFRS 16 Leases

The amendment removes the illustration of the reimbursement of leasehold improvements.

New and Revised IFRSs in issue but not yet effective

The Fund has not applied the following new and revised IFRSs that have been issued but are only effective for annual periods beginning on or after 1 January 2023:

- IFRS 17 (including the June 2020 and December 2021 amendments to IFRS 17) Insurance Contracts
- Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to IAS 1 Classification of Liabilities as Current or Non-current
- Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies
- Amendments to IAS 8 Definition of Accounting Estimates
- Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

National Superannuation Fund
Notes to, and forming part of, the financial statements
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2 Basis of preparation (continued)

New and Revised IFRSs in issue but not yet effective (continued)

IFRS 17 (including the June 2020 and December 2021 amendments to IFRS 17) Insurance Contracts

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.

The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

Amendments to IAS 1 Classification of Liabilities as Current or Non-current

The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

Amendments to IAS 8 Definition of Accounting Estimates

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Fund in future periods.

National Superannuation Fund
Notes to, and forming part of, the financial statements
For the year ended 31 December 2022

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by the Fund.

a) Member accounts

Contributions are accounted for, and members' accounts credited with their contributions, on a cash basis based on the receipt of reconciled contributions schedules.

b) Investment assets

In accordance with International Financial Reporting Standards, investment assets including investment properties and equity investments are included in the Statement of Financial Position at fair value as at the balance sheet date and movements in fair value of investment assets are recognised in the statement of comprehensive income in the period in which they occur.

The Fund also holds Government Securities, loans and cash, the accounting policy for which is detailed in Note 3 (e).

The Fund's interests in controlled entities and associated investments are treated as assets or investments of the Fund available for sale and therefore are not consolidated or equity-accounted in these financial statements.

c) Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Fund at the exchange rate at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the reporting date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

d) Deferred expenditure

All staff housing subsidies advanced are amortised over a five-year period at 20% per annum, IRC approved.

e) Financial instruments

(i) Non-derivative financial assets

The Fund initially recognises loans and receivables and deposits on the date that they have originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Fund becomes a party to the contractual provisions of the instrument.

The Fund derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the right to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred. Any interest in transferred financial assets that is created or retained by the Fund is recognised as a separate asset or liability.

Financial assets and liabilities are off-set and the net amount presented in the statement of financial position when, and only when, the Fund has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Government Securities

Government securities including treasury notes are recognised at amortised cost and assessed for impairment annually. Amortised cost approximates fair value of these instruments.

Loans and Receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

National Superannuation Fund
Notes to, and forming part of, the financial statements
For the year ended 31 December 2022

3 Significant accounting policies (continued)

e) Financial instruments (continued)

(i) Non-derivative financial assets (continued)

Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Fund's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(ii) Non-derivative financial liabilities

The Fund is restricted by the Superannuation (General Provisions) Act 2000 from borrowing funds. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date at which the Fund becomes a party to the contractual obligations.

The Fund's non-derivative financial liabilities include trade and other payables. Trade and other payables are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Fund.

f) Property Plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are initially measured at cost (including transaction costs). They are subsequently measured at cost less accumulated depreciation and accumulated impairment losses. The written down value approximates fair value.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of material and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the cost of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Cost also may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Net gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised within other income in profit or loss.

(ii) Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Fund, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Fund will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

Office equipment	5-12 years
Fixture and fittings	5-10 years
Motor Vehicles	3-5 years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the assets and is recognised in the Income Statement.

National Superannuation Fund
Notes to, and forming part of, the financial statements
For the year ended 31 December 2022

3. Significant accounting policies (continued)

g) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at fair value with any change therein recognised in profit or loss.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

h) Impairment of assets

(i) Financial assets (including receivables)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Fund on terms that the Fund would not consider otherwise, indication that a debtor or issuer will enter bankruptcy and the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

The Fund considers evidence of impairment for receivables and held-to-maturity investment securities at both a specific asset and collective level.

All individually significant receivables and held-to-maturity investment securities are assessed for specific impairment. All individually significant receivables and held-to-maturity investment securities found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified.

Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics

In assessing collective impairment the Fund uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss

Changes in impairment provisions attributable to time value are reflected as a component of interest income.

If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised in profit or loss, then the impairment loss is reversed, with the amount of the reversal recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

(ii) Non-financial assets

The carrying amount of the Fund's non-financial assets, other than investment property and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an assets exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

National Superannuation Fund
Notes to, and forming part of, the financial statements
For the year ended 31 December 2022

3. Significant accounting policies (continued)

i) Employee benefit plans

i) Defined contribution plans

The Fund is a defined contribution plan and as part of its post-employment benefit plan for its employees the Fund pays fixed contributions into the Fund. The Fund has no legal or constructive obligation to pay further amounts to each employee. The obligation for contributions is recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

(ii) Other long-term employee benefits

The Fund's obligations in respect of long-term employee benefits is the amount of benefit that employees have earned in return for their services in the current and prior periods as required by law. That benefit is accrued each period and the increase taken to profit and loss account.

(iii) Short-term employment benefits

Short-term employment benefits obligations are measured on an undiscounted basis and are expensed as the related service is provided.

(j) Provisions

A provision is recognised if, as a result of a past event, the Fund has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

k) Revenue recognition

Revenue is recorded on an accrual basis. To the extent in which it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured, revenue is recognised. The following recognition criteria relates to the different revenues the Fund has recognised.

Dividend revenue

Revenue from dividends is recognised on the date the shares are quoted ex-dividend and if not received at balance date, is reflected in the statement of financial position as a receivable.

Interest revenue

Revenue on money market and fixed interest securities is recognised using the effective interest rate method, and if not received at balance date, it is reflected in the statement of financial position as a receivable.

Movement in net market value of investments

Changes in the fair value of investments are recognised as income or expense if a loss, and are determined as the differences between the fair value at year end or consideration received (if sold during the year) and the fair value as at the prior year end or cost (if the investment was acquired during the period).

Rent

Rent from property is recognised in accordance with the rental agreement on a straight-line basis.

l) Income taxes

Income tax expense comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amount used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

National Superannuation Fund
Notes to, and forming part of, the financial statements
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3. Significant accounting policies (continued)

l) Income taxes (continued)

In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax is reviewed at each reporting date and is reduced to the extent that it is no longer probable that the related tax benefit will be realised.

4 Determination of fair values

A number of the Fund's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on methods discussed in the following sections. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The Fund has an established control framework with respect to the measurement of fair values. The overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, rests upon the Chief Financial Officer and Chief Investment Officers. The Chief Financial Officer and Chief Investment Officers review the valuation reports and assesses the reasonableness of the significant unobservable inputs. The key items in the valuation reports are reported to the Audit and Risk Committee and Investment Committee.

When measuring the fair value of an asset or a liability, the Fund uses observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on inputs used in the valuation techniques as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest input that is significant to the entire measurement.

The Fund recognises transfers between levels of the fair value hierarchy at the end of the reporting period in which the change has occurred.

The following is a summary of significant fair values determined in preparing the notes to the Fund's financial statements.

(i) Investment property

Investment property is initially recorded at cost including transaction costs. Individual property assets are valued each year. An external, independent valuer, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, then values the Fund's investment properties as required. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably and willingly.

In the absence of current prices in an active market, the valuations are prepared by considering the aggregate of the estimated cash flows expected to be received from renting out the property. A yield that reflects the specific risks inherent in the net cash flows then is applied to the net annual cash flows to arrive at the property valuation.

National Superannuation Fund
Notes to, and forming part of, the financial statements
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4. Determination of fair values (continued)

(i) Investment property Continued

Valuations reflect, when appropriate, the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting vacant accommodation, the allocation of maintenance and insurance responsibilities between the Fund and the lessee, and the remaining economic life of the property. When rent reviews or lease renewals are pending with anticipated reversionary increases, it is assumed that all notices, and when appropriate, counter-notices, have been served validly and within the appropriate time. The sensitivity analysis on investment property revaluations is disclosed in Note 10 (b) (vii).

(ii) investment in quoted equity and debt securities

The fair value of financial assets at fair value through profit or loss and available-for-sale financial assets is determined by reference to their quoted closing bid price at the reporting date.

(iii) Unquoted equity investments

Unquoted equity investments are initially recorded at cost. Individual unquoted equity investments are externally valued every year where required. An external valuation will also be required where the Directors of the Trustee believe that the value of the asset has changed by the greater of K5 million or 10% from the previous external valuation. When an external valuation is required, an external independent valuer, having appropriate recognised professional qualifications and recent experience of unquoted companies being valued, values the Fund's unquoted equity investments. Directors' valuations are required for all other years. The fair values are based on either the cumulative multiple earnings, net assets, discounted net assets, discounted cash flows, dividend discount model, or liquidation method. The method adopted is applied consistently from year to year. The sensitivity analysis on unquoted equity investments is disclosed in Notes 9(e) and 23 (e).

(iv) Trade and other receivables

The fair value of trade and other receivables for disclosure purposes is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

(v) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases the market rate of interest is determined by reference to similar lease agreements.

5. Financial risk management

This note presents information about the Fund's exposure to each of the risks noted below, the Fund's objectives, policies and processes for measuring and management of risks, and the Fund's management of capital. Further quantitative disclosures are included in Note 23 and throughout these financial statements.

The Fund has exposure to the following risks from its use of financial instruments:

- Credit risk (Note 23 (a))
- Liquidity risk (Note 23 (b))
- Market risk (Note 23 (c), (d), (e))

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Fund's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

The Fund's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Fund's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

National Superannuation Fund
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5. Financial risk management (continued)

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management. This responsibility is supported by the development of overall Fund standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorisation of transactions;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- requirements for the reporting of operational losses and proposed remedial action;
- training and professional development;
- ethical and business standards; and
- risk mitigation, including insurance where this is effective.

Compliance with Fund standards is supported by a programme of periodic reviews undertaken by management. The results of internal reviews are discussed with management with summaries submitted to the Audit and Risk Committee and Board of Directors.

Risk management framework

The Board of Directors of the Trustee company has overall responsibility for the establishment and oversight of the Fund's risk management framework. The board has established the Audit and Risk Committee, which is responsible for developing and monitoring the Fund's risk management policies. The committee reports regularly to the Board of Directors of the Trustee company on its activities.

The Fund's risk management policies are established to identify and analyse the risks faced by the Fund, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities. The Fund, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors of the Trustee company oversees how management monitors compliance with the Fund's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Fund.

6. Funding arrangements

The employers have contributed to the Fund during the current financial year at a rate of 8.4% of the gross salaries of those employees who were members of the Fund (2021: 8.4%). Employees contribute to the Fund during the year at a minimum rate of 6.0% of the gross salaries (2021: 6.0%).

7. Fund requirements

To qualify as an investment entity, certain criteria have to be met. Specifically, an entity is an investment entity when it:

- Obtains funds from one or more investors for the purpose of providing them with professional investment management services;
- Commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- Measures and evaluates performance of substantially all of its investments on a fair value basis.

The Fund meets all the above requirements.

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8. Investment in Financial Assets

	Note	31 Dec 2022 K000	31 Dec 2021 K000
Treasury Bills		551,140	751,251
Interest Receivable	(c)	79,981	61,995
Government Inscribed Stock	(a)	2,498,812	1,888,976
Sovereign Community Infrastructure Treasury Bill (SCITB)	(b)	28,348	28,348
Notes and other loans	(d)	164,834	145,797
		3,323,115	2,876,367
a) Government Inscribed Stock			
		31 Dec 2022 K000	31 Dec 2021 K000
GIS		2,541,510	1,923,801
Provision for impairment	(e)	(42,698)	(34,825)
		2,498,812	1,888,976
b) Sovereign Community Infrastructure Treasury Bill ("SCITB")			
	Note	31 Dec 2022 K000	31 Dec 2021 K000
SCITB		68,581	68,581
Interest receivable from SCITB		35,250	35,250
Provision for impairment	(e)	(75,483)	(75,483)
		28,348	28,348
c) Interest Receivable			
	Note	31 Dec 2022 K000	31 Dec 2021 K000
Opening Balance accrued interest		61,995	47,193
Increase/ (Decrease) in accrued interest		17,986	14,802
Closing Balance		79,981	61,995

The Sovereign Community Infrastructure Treasury Bill (SCITB) was issued by the Treasurer on behalf of the Independent State of Papua New Guinea (State) by National Capital Limited (NCL) as the State's Agent under the Treasury Bills Act 1974.

However, the State disputed its liability to repay the SCITB and consequently, the Fund commenced legal proceedings for the recovery of the amount it subscribed for the SCITB as well as any accrued interest. On 28 August 2017, the National Court ordered NCL to return to the Fund approximately K56.4 million which was held by NCL in several bank accounts. These monies were recovered thus lowering the principal remaining to approximately K68.6 million. As at the end of 2022, the balance of the SCITB remains in dispute and the Fund is continuing its legal recovery of these funds (including any accrued interest).

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8. Investment in Financial Assets (continued)

d) Loans receivable

	Note	Maturity (years)	Average Yield	31 Dec 2022 K'000	31 Dec 2021 K'000
Panamex Limited (Panamex)		2	10.0%	10,000	10,000
Tawali Resort Limited (Tawali Resort)	(i)	-	-	4,057	4,057
Heritage Park Hotel Limited (Heritage Park)		1	12.5%	26,108	28,309
Mainland Holdings Limited (Mainland Holdings)		3	10%	106,026	91,026
The Edge Limited (the Edge)		-	-	6,600	6,600
PNG Air Limited (PNG Air)	(ii)	-	-	45,000	45,000
Hornibrook Limited (Hornibrook)		1	10%	5,000	-
City Centre Development Limited (CCDL)		-	-	17,590	18,090
Loloata Island Resort Limited (Loloata)		10	6%	3,024	-
				223,405	203,082
<i>Less: provision for impairment</i>	8 (e)			<i>(58,571)</i>	<i>(57,285)</i>
				164,834	145,797

All loans are subject to fixed interest rates except CCDL and The Edge Limited.

(i) In 2012 the Fund provided for the loan to Tawali Resort of K4.0 57 million and no interest is being accrued in respect of this loan as there is doubt regarding its recoverability.

(ii) In 2017 Nasfund provided funding to PNG Air worth K20 million, however the terms on which that funding was to be converted to equity were not satisfied. In 2020, an additional K25 million was converted from investments to loan, as the initial plan to convert the notes to equity did not eventuate. As such, this has now been recorded as a loan and a provision for impairment of K45 million has been accounted for in accordance with IFRS 9, with no interest being accrued, based on an assessment performed in 2020 and at each subsequent reporting period.

e) Movement in provisions

The movement in the provision for impairment in respect of government securities and other loans is as follows:

	Note	31 Dec 2022 K'000	31 Dec 2021 K'000
Opening balance		167,593	158,159
Provision for impairment on SCITB interests		-	-
Provision for impairment loan to Tawali Resort		-	-
Provision for impairment loan to PNG Air		-	-
Provision on GIS		7,873	1,206
Mainland Holdings		1,286	7,805
CCDL		-	310
The Edge		-	113
Closing balance		176,752	167,593

Provision for impairment is comprised of the following:

	Note	31 Dec 2022 K'000	31 Dec 2021 K'000
Tawali Resort		4,057	4,057
SCITB	8 (b)	75,483	75,483
Government Inscribed Stock	8 (a)	42,698	34,825
PNG Air		45,000	45,000
Mainland Holdings		9,091	7,805
CCDL		310	310
The Edge		113	113
		176,752	167,593

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9. Equity Investments

	Note	31 Dec 2022 K000	31 Dec 2021 K000
Quoted investments – domestic	(a)	708,658	692,579
Quoted investments – international	(a)	607,407	694,388
Unquoted investments	(b)	975,999	929,379
		2,292,064	2,316,346

(a) Quoted investments

Summary of revaluation of quoted Investments is as follows:

	31 Dec 2021 K000	Revaluation K000	Other movements K000	31 Dec 2022 K000
Quoted shares domestic				
PNG Air Limited	250	-	-	250
BSP Financial Group Limited	555,151	7,251	-	562,402
City Pharmacy Limited	32,851	(1,729)	-	31,122
Credit Corporation (PNG) Limited	104,327	10,557	-	114,884
	692,579	16,079	-	708,658
Quoted shares international				
Santos Limited	62,026	3,814	-	65,840
Vanguard	585,168	(147,099)	57,012	495,081
Steamships Trading Company Limited	47,194	(708)	-	46,486
	694,388	(143,993)	57,012	607,407

Reconciliation of movement in quoted investments is as follows:

	Note	31 Dec 2022 K000	31 Dec 2021 K000
Opening balance		1,386,967	1,256,921
Additions / (Disposal) or transfers during the year		57,012	24,382
Revaluation gain / (loss)	15	(127,914)	105,664
Closing balance		1,316,065	1,386,967

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9. Equity Investments (continued)

(b) Unquoted investments at fair values

Summary of revaluation of unquoted investments is as follows:

Unquoted investments	Note	Percentage Holding	2022	2021	2021	Revaluation	Other movements	2022
			Valuation	Valuation				
			Model	Model	K'000	K'000		K'000
Amalgamated Packaging Limited		30.00%	(i)	(i)	10,100	(600)	-	9,500
Hornibrooks NGI Limited		21.13%	(i)	(i)	11,750	(1,250)	-	10,500
Brian Bell & Company Limited		20.31%	(ii)	(ii)	84,000	22,750	-	106,750
The Edge Limited		100.00%	(i)	(ii)	162,300	(2,270)	-	160,030
City Centre Developments Limited		100.00%	(i)	(ii)	40,402	7,749	-	48,151
South Pacific Brewery Limited		0.72%	(ii)	(ii)	8,150	(350)	-	7,800
Pacific Balance Fund		22.00%	(i)	(i)	84,100	17,346	-	101,446
Toyota Tsusho (PNG) Limited		0.61%	(i)	(i)	7	32	-	39
Hillside Garden		50.00%	(i)	(i)	16,633	(5,905)	-	10,728
Panamex Limited		41.10%	(ii)	(ii)	26,000	5,500	-	31,500
Heritage Park Hotel		60.00%	(i)	(i)	79,550	19,000	-	98,550
Malagan Limited		100.00%	(i)	(ii)	64,677	(1,769)	-	62,908
Carpark Limited		100.00%	(i)	(ii)	30,633	2,519	-	33,152
Gewani Limited		100.00%	(i)	(ii)	114,965	(520)	-	114,445
Capital Insurance Group Limited		19.20%	(ii)	(ii)	7,200	1,550	-	8,750
Loloata Island Resort Limited		50.00%	(i)	(i)	41,366	(13,342)	(3,024)	25,000
Mainland Holdings Limited		98.89%	(i)	(i)	147,546	(796)	-	146,750
Total unquoted investments					929,379	49,644	(3,024)	975,999

(i) Adjusted Net Assets on a Going Concern Basis

(ii) Capitalisable Maintainable Earnings ("CME")

National Superannuation Fund
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9. Equity Investments (continued)

(b) Unquoted Investments at fair values (continued)

Reconciliation of movement in unquoted investments is as follows:

	Note	31 Dec 2022 K000	31 Dec 2021 K000
Opening Balance		929,379	912,155
Additions / disposals during the year			-
Fair value gain/ (loss)	15	49,644	(17,211)
Other adjustments	(i)	(3,024)	34,435
Closing balance		975,999	929,379

The above unquoted investments are stated at fair value, which have been determined by the Board of Directors based on external valuations performed by KPMG PNG and Ernst & Young Australia. The main methodologies in determining the fair value of unlisted equities are usually based on future maintainable earnings, dividend yields, net tangible assets or cash flows. The valuers have applied the most appropriate methodologies to each investment and have used other methodologies as a cross check where appropriate.

(i) Other adjustments in current year relate to the transactions by the Fund with Loloata arising from a reclassification from investment to loan receivable.

(c) Equity investments that are over 5% of the net asset value of the Fund

Bank of South Pacific Limited	8.95%
Vanguard	7.85%

(d) Fair value model and significant unobservable inputs

Set out below are the fair valuation models used and the significant unobservable inputs that may affect the valuation.

(i) Net Assets on a Going Concern Basis

Under this model, fair value is based on the identifiable net assets of the investee. This method is used where the underlying assets and liabilities approximate their fair value and management do not believe there is any intangible value in the company.

(ii) Capitalisable Maintainable Earnings ("CME")

Capitalisable maintainable earnings (CME) approach is a valuation model based on market multiples derived from quoted prices of companies comparable to the investee and the maintainable earnings of the investee. The fair value estimate is adjusted for the effect of the non-marketability of the equity securities. Significant key unobservable input used in this valuation model are the maintainable earnings of the investee and the adjusted market multiples ranging from 3.4x to 14.5x.

Accordingly, an increase in the maintainable earnings of the investee and / or an increase in the adjusted market multiple will increase the estimated fair value of the equity investment. A decrease in the maintainable earnings of the investee and / or a decrease in the adjusted market multiple will decrease the estimated fair value of the equity investment.

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9. Equity Investments (continued)

(e) Sensitivity analysis

The following is a sensitivity analysis of significant unobservable inputs:

**Effect on profit or loss
Increase / (decrease)**

	31 Dec 2022	31 Dec 2021
	K000	K000
Increase of 1% in market multiples	25,329	46,373
10% increase in earnings	12,584	42,309
Increase of 5% in discount rates	(29,994)	(164,710)

A decrease in any of the above unobservable inputs would have the opposite but similar effect to profit or loss.

10. Investment properties

		31 Dec 2022	31 Dec 2021
		K000	K000
Residential properties	(a)	48,666	48,633
Industrial properties	(a)	14,500	27,331
Commercial properties	(a)	433,253	437,012
Land	(a)	14,560	14,425
Work in Progress		8,533	1,734
		519,512	529,135

(a) Investment properties (at market value)

Summary of movement in revaluation of investment properties as follows:

	2022 Valuation Model	Capitalization Rates	2021 K000	Revaluation K000	Additions/ (disposals) K000	2022 K000
Residential properties						
Solwara Apartments	MC	8.00%	45,200	360	-	45,560
Lot 18 Sect. 69 House Property	MC	11.00%	704	-	319	1,023
Lot 3 Sect. 2 Madang Property	IV	-	450	4	-	454
Lot 11 Sect. 13 KBB Property	IV	-	650	-	(650)	-
Siroi Panu Units	-	-	1,629	-	-	1,629
			48,633	364	(331)	48,666
Industrial properties						
API	DMA	-	13,874	626	-	14,500
Gordons – Cameron Road	-	-	13,457	-	(13,457)	-
			27,331	626	(13,457)	14,500

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10. Investment properties

Summary of movement in revaluation of investment properties as follows:

	2022 Valuation Model	Capitalization Rates	2021 K000	Revaluation K000	Additions/ (disposals) K000	2022 K000
Commercial properties						
Ravalian Haus	MC	8.50%	57,700	(1,280)	-	56,420
Able Computing Madang	MC	10.00%	5,209	-	14	5,223
ANZ Haus	MC	10.00%	67,600	(2,100)	-	65,500
Westpac Head Office Building	IV	-	10,000	-	-	10,000
BSP Douglas Street	DMA	-	11,852	(2,913)	1,561	10,500
Madang Slipway	IV	-	4,016	-	-	4,016
Kina Haus	MC	10.00%	172,600	(4,150)	-	168,450
Nasfund Haus Lae	IV	-	7,915	-	73	7,988
NCSL Head Office	IV	-	4,238	-	-	4,238
IPA Haus	MC	10.50%	18,345	202	-	18,547
Burns Philp	MC	10.50%	28,563	2,091	-	30,654
The Face	MC	10.50%	15,362	(1,236)	1,236	15,362
The Factory	MC	10.50%	33,612	2,743	-	36,355
			437,012	(6,643)	2,884	433,253
Land						
Section 69, Lae	MC	-	2,849	-	-	2,849
8 Mile and 9 Mile	MC	-	708	-	-	708
Vacant Land, POM	MC	-	9,460	-	-	9,460
Vacant Land, Lae	MC	-	1,408	-	135	1,543
			14,425	-	135	14,560

MC – Market Capitalisation

DMA - Direct Market Approach

IV – Internal Valuation

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10. Investment properties (continued)

Reconciliation of movement in investment properties is as follows:

	Note	31 Dec 2022 K000	31 Dec 2021 K000
Opening balance		529,135	533,515
Additions/(disposals)		(10,769)	4,550
Work in progress		6,799	640
Fair value gain/ (loss)	15	(5,653)	(9,570)
Closing balance		519,512	529,135

Investment properties are stated at fair value, which have been determined by the Board of Directors in line with the accounting policy at note 4(i).

(b) Measurement of fair value, fair value model and significant unobservable inputs

Information about how the fair values of the Fund's investment properties are determined (in particular, the valuation method(s) and inputs used) is detailed as follows:

(i) Direct market approach (DMA) is a market-based valuation technique which considers the most recent completed sales transactions and quoted market prices (when available) of similar properties in the location adjusted for certain market factors such as the physical deterioration of the property and its location (prime vs secondary).

(ii) Market capitalisation (MC) is a fair valuation model which considers the present value of net cash flows to be generated from the property. The expected net cash flows are discounted using risk-adjusted market capitalisation rates adjusted for certain market factors such as the physical deterioration of the property and its location (prime vs secondary). Key unobservable input includes the risk-adjusted market capitalisation rates and market lease rates.

(iii) Internal valuation (IV) is where management perform a desktop valuation to ascertain the fair value of properties which have not been valued by an external valuer.

(iv) Certain properties are valued at cost usually due to the recent acquisition of these investments. Management believes that the cost of these properties approximates their fair value.

(v) Fair value hierarchy

The classifications of fair value hierarchy have been discussed in note 23(g). The reconciliation of the movement of investment properties based on their respective fair value hierarchy classification are detailed as follows:

The fair value measurement for investment properties of K519.512 million (2021: K529.135 million) have been categorised at Level 3 fair value as the inputs to the valuation techniques used made reference to significant unobservable inputs such as risk-adjusted capitalisation rates.

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10. Investment properties (continued)

(b) Measurement of fair value, fair value model and significant unobservable inputs (continued)

(v) Level 3 fair value

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values:

	31 Dec 2022 K000	31 Dec 2021 K000
Opening balance	529,135	495,285
Improvements, reclassifications, and additions	(10,769)	42,780
Work in progress	6,799	640
Changes in fair value	(5,653)	(9,570)
Closing balance	519,512	529,135

Market capitalisation and direct market comparison were the valuation models used in measuring the fair value of the above properties. The market capitalisation valuation model considers the present value of net cash flows to be generated from the property. The expected net cash flows are discounted using risk-adjusted market capitalisation rates adjusted for the certain market factors such as the physical deterioration of the property and its location (prime vs secondary). The direct market comparison valuation model considers the most recent completed sales transaction and quoted market prices (when available) of similar properties in the location adjusted for the certain market factors such as the physical deterioration of the property and its location (prime vs secondary). The estimated fair value would increase or decrease based on the market's most recently completed sales transaction for comparable properties and the changes in the costs of constructing new similar properties.

Significant key unobservable inputs used include market lease rates and market capitalisation rates ranging from 8.5% to 11% (2021: 10% to 11%). Accordingly, an increase in market lease rates and / or a decrease in market capitalisation rate would increase the fair value of the properties. A decrease in market lease rates and / or an increase in market capitalisation rate would decrease the fair value of the properties.

(vii) Sensitivity analysis

	Effect on profit or loss increase / (decrease)	
	31 Dec 2022 K000	31 Dec 2021 K000
Increase of 1% in capitalisation rates	(60,644)	(22,174)
10% increase in rentals	109,825	111,557
10% increase in sales prices and / or replacement costs	14,300	1,518

A decrease in any of the above unobservable inputs would have the opposite but similar effect to profit or loss.

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11. Property and equipment

a) Property and equipment

Cost or deemed cost	Motor Vehicles K'000	Office Equipment K'000	Fixture and Fitting K'000	Total K'000
At 1 January 2021	2,163	11,777	8,356	22,296
Additions	483	1,868	-	2,351
Disposals	(387)	(60)	-	(447)
At 31 December 2021	2,259	13,585	8,356	24,200
At 1 January 2022	2,259	13,585	8,356	24,200
Additions	363	840	-	1,203
Disposals	(55)	(640)	(15)	(710)
At 31 December 2022	2,567	13,785	8,341	24,693
Accumulated depreciation				
At 1 January 2021	1,042	9,581	3,699	14,322
Depreciation for the year	467	609	605	1,681
Disposals	(358)	-	-	(358)
At 31 December 2021	1,151	10,190	4,304	15,645
At 1 January 2022	1,151	10,190	4,304	15,645
Depreciation for the year	598	732	605	1,935
Disposals	(57)	(542)	-	(599)
At 31 December 2022	1,692	10,380	4,909	16,981
Carrying amounts				
At 31 December 2022	876	3,406	3,431	7,712
At 31 December 2021	1,108	3,395	4,052	8,555

Capital Work in Progress included in property and equipment

	2022 K'000	2021 K'000
Opening balance	2,931	876
Commissioned	-	-
Additions	1,688	2,055
Closing balance	4,619	2,931
Total property and equipment		
At 31 December 2022	12,331	
At 31 December 2021	11,486	

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12. Income Tax

	31 Dec 2022 K000	31 Dec 2021 K000
(a) Income tax expense		
Current tax	52,846	55,001
Under provision of current taxes in previous years	(3,591)	11,530
	49,255	66,531
Accounting profit before tax	305,530	429,821
Tax on the profit for the year at 25%	76,382	107,455
Taxation effect of permanent differences		
- Non-deductible items	38,231	20,698
- Non-taxable items	(22,556)	(43,764)
Dividend rebate	(39,211)	(29,388)
Under/(over) provision in prior years	(3,591)	11,530
	49,255	66,531
(b) Income tax balance		
Opening balance of income tax receivable	(13,612)	12,594
Current tax payable	(94,021)	(66,531)
Under provision of taxes in previous years	6,085	(11,530)
Offset by withholding taxes recoverable	89,004	33,452
Payment during the year	14,199	18,403
Closing balance of income tax (payable)/receivable	1,655	(13,612)

(c) Deferred tax balances

Deferred tax assets and deferred tax liabilities are attributable to the items detailed in the table below:

	Asset K000	Liability K000	Net K000
<i>As at 31 December 2021</i>			
Property, plant and equipment	-	(80)	(80)
Investment property		(16,266)	(16,266)
Provisions	19,956	-	19,956
Interest receivable	-	(15,498)	(15,498)
Other	1,877	(19,765)	(17,888)
	21,833	(51,609)	(29,776)
<i>As at 31 December 2022</i>			
Property, plant and equipment	-	(256)	(256)
Investment property		(14,744)	(14,744)
Provisions	22,295	-	22,295
Interest receivable	-	(19,995)	(19,995)
Other	2,068	(19,675)	(17,607)
	24,363	(54,669)	(30,307)

13. Sundry creditors and accruals

	31 Dec 2022 K000	31 Dec 2021 K000
Sundry creditors and other accruals	13,322	12,836
Bonds and repayable deposits	3,773	3,262
	17,095	16,098

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14. Provision

	Note	31 Dec 2022 K000	31 Dec 2021 K000
Current			
Provisions for employee entitlements		1,423	996
Non-current			
Provision for long service leave		2,997	2,388
		2,997	2,388
The movement in provision for long service leave is presented as follows:			
Opening balance		2,388	3,249
Charge for the year utilised	18	986	(861)
Payments made during the year		(377)	
Closing balance		2,997	2,388

15. Movement in fair value

The realised gain from financial instruments at fair value through the profit and loss, represents the difference between the carrying amount of a financial instrument at the beginning of the year or the transaction price upon acquisition during the year, and its settlement / sale price upon disposal.

The unrealised gain represents the difference between the carrying amount of a financial instrument at the beginning of the period or transaction price upon acquisition during the year, and its carrying amount at the end of the period. A summary of the movement in fair value of the investments is as follows:

Unrealised in respect of those investments held at the end of the year:

	Note	31 Dec 2022 K000	31 Dec 2021 K000
Shares in listed companies	9 (a)	(127,914)	105,664
Shares in unlisted companies	9 (b)	49,644	(17,211)
Investment properties	10	(5,653)	(9,570)
		(83,923)	78,883

Movement related to net foreign exchange gain/(loss) shown separately on the face of the Statement of Profit or Loss and Other Comprehensive Income:

Net foreign exchange gain/(loss)	17	(39,860)	(18,688)
Movement in fair value not attributed to foreign exchange gain/(loss)		(44,063)	97,571

16 Investment Income

Interest Income

Financial Instruments measured at amortized cost:

	31 Dec 2022 K000	31 Dec 2021 K000
Government Inscribed Stock	233,242	215,325
Bank Deposits	1,602	1,971
Treasury Bills	40,002	43,760
Loans	13,738	13,560
	288,584	274,616

Dividend income

Dividends received from Equity Investments:

Unlisted Equity	60,337	33,980
Listed Equity	96,508	83,292
	156,845	117,272

Total Investment Income

	445,429	391,888
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National Superannuation Fund
Notes to, and forming part of, the financial statements
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17. Operating profit for the year has been arrived at after charging the following items:

	31 Dec 2022	31 Dec 2021
	K000	K000
Auditors' remuneration – audit	496	378
Legal expenses	760	624
Gain on sale of property, plant and equipment	(510)	-
Net foreign exchange gain/(loss) – related to cash	(166)	(174)
Net foreign exchange gain/(loss) – related to investments	(39,860)	(18,688)

18. Staff related expenses

	Note	31 Dec 2022	31 Dec 2021
		K000	K000
Salaries and wages		14,587	13,965
Superannuation		1,528	1,292
Long service leave	14	986	(861)
Other expenses and benefits		11,174	10,813
		28,275	25,209

The number of full-time employees at the end of the year was 183 (2021: 163).

The number of employees whose remuneration exceeds K100, 000 for the year was 26 (2021: 18).

	31 Dec 2022	31 Dec 2021
	No.	No.
Total remuneration (Kina)		
K100,001 TO K150,000	7	3
K150,001 TO K200,000	7	4
K200,001 TO K250,000	2	1
K250,001 TO K300,000	-	1
K300,001 TO K350,000	3	2
K350,001 TO K400,000	3	2
K400,001 TO K450,000	1	1
K450,001 TO K500,000	-	1
K500,001 TO K550,000	1	1
K550,001 TO K600,000	-	-
K600,001 TO K650,000	-	-
K650,001 TO K700,000	-	-
K700,001 TO K750,000	-	-
K750,001 TO K800,000	-	-
K850,001 TO K900,000	-	-
K900,001 TO K950,000	-	-
K950,001 TO K1,100,000	-	-
K1,100,001 +	2	2
	26	18

19. Employee benefit plans

Post-employment benefits

The Fund contributes to the National Superannuation Fund for its own employees. The Fund's employees receive 10% employer contribution rates. Employees contribute to the Fund during the year at a minimum rate of 6.0% of the gross salaries. During 2022, the Fund expensed K1.528 million in contributions (2021: K1.292 million).

20 Commitments, contingencies and disputes

(a) Commitments

The Fund has entered into a contract for the management and maintenance of its investment properties (facilities management), member's fund management, and investment portfolio management for the next three years (Refer note 20 (c)). The annual expense expected to be incurred in relation to these contracts is as follows:

Contract		Amount
Facilities management	(i)	K7 million per annum
Security fees		K1.192 million per annum
Member's fund management		
-monthly fee for up to 180,000 active members		K590,000 per month
-withdrawal fees charged to exiting members		Nil
Investment portfolio management		0.11% of assets under management
-Custodial Services		
-Asset Consulting Services		
-Listed Funds Management Services		
-Unlisted Funds Management Services		

(i) Facilities management includes fees for properties in 100% owned companies.

(b) Government securities in dispute and litigation liabilities

The Fund had the following government securities and other litigious matters which were directly or indirectly in dispute as at 31 December 2022:

(i) Sovereign Community Infrastructure Treasury Bill (SCITB) - K125 million

The recovery of the balance of the SCITB is still in dispute. The Independent State of Papua New Guinea (State) claims that the SCITB is not a lawfully issued treasury bill. The Fund maintains, based on independent legal advice, that the issuing of the SCITB is legal and the funds advanced for the SCITB and any applicable interest are fully recoverable. The Fund commenced legal action against the State, the Bank of Papua New Guinea and National Capital Limited (NCL) for the return of the K125 million it advanced to the State in exchange for the SCITB. On 28 August 2018, the National Court ordered NCL to return to the Fund approximately K56.4 million which it held in several bank accounts. These monies have since been received by the Fund. Consequently the principal amount remaining in dispute is approximately K68.6 million. This amount and the accrued unpaid interest, is still being pursued in on-going legal proceedings.

As at the end of 2022, the Fund's lawyers prepared an interest calculation (for any accrued interest) which would assist the Fund in obtaining specific directions to expedite the matter. Subsequent to 31 December 2022, the lawyers have received a court hearing date and expect a ruling to be made on the case within the course of the 2023 financial reporting period.

(ii) Exchange of Niugini Nominee Notes (K100 million) for Bank of South Pacific shares

During the first part of 2011, the Fund redeemed its holding of Notes issued by Niugini Nominee Notes (NNL) in exchange for shares in BSP. These shares were a part of a parcel of shares which Motor Vehicles Insurance Limited (MVIL) had previously mortgaged to NNL. Kumul Consolidated Holdings (KCH) (parent of MVIL) initiated legal proceedings against NNL and MVIL by which KCH sought to have the BSP shares returned to MVIL. The Fund was joined as a party to these proceedings in June 2011 after the title to the BSP shares were transferred to the Fund and all other relevant transactions were closed out.

One of KCH's claims is that all transactions entered into by the parties were void and that as a consequence, all the BSP shares which had been mortgaged to NNL including those transferred to the Fund should be returned to MVIL. On independent legal advice, the Fund is advised that KCH's claim should fail as it has good title to the parcel of the BSP shares and that any legal action against the Fund would not result in a negative outcome for the fund. As at the end of 2022, the Fund has made two applications to dismiss the proceedings. In both instances, the Court failed to exercise discretion as it still considers that the Fund is a necessary party to determine the issues in dispute. The Fund maintains that the outcome of these two applications do not take away from the fact that the Fund has a good defence.

(iii) Provision for impairment

Whilst the Fund does not accept that its claim in relation to the SCITB referred to in paragraph (i) will fail, that it has any exposure in relation to the claim in paragraph (ii) or that it has any liability in any other proceedings, the Fund has made a global provision in relation to this all such matters, of K39 million (2021: K39 million) to take account of the uncertainties of litigation (see note 8d). Interest income is not being accrued in respect of the SCITB due to the uncertainty about the ultimate recovery of the monies.

National Superannuation Fund
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20. Commitments, contingencies and disputes (Continued)

(iv) Portion 2123 court proceeding

During 2013 and 2015, the Fund instituted proceedings against Yawenaik Ltd and other parties including Department of Lands & Physical Planning and Registrar of Titles. The proceedings were to recover the land described as Portion 2123, Granville (9-Mile) comprising of 90.7 hectares from Yawenaik Ltd and other parties. The Fund instituted the proceedings after the land was consolidated with another property described as Portion 1568, subdivided, and given new description without the knowledge and authority of the Fund. Ownership of the Land will be recovered if the current Court proceedings are successful and the Fund's independent legal advisor has advised that those proceedings have prospects of success.

(c) Material contracts – operational

Contract	Services	Expiry Date
Kina Investments & Superannuation Services Limited	Administration	June 2023
BSP Capital Limited	Investment Management	July 2024

(d) Material contracts - property management

Contract	Services	Expiry Date
Ashton Brunswick Limited	Facilities Manager	Dec 2024

21. Notes to the statement of cash flows

Reconciliation of cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalents includes cash on hand and at bank and short-term deposits. Cash and cash equivalents as at the end of the financial year as shown in the Statement of Cash Flows are reconciled to the related items in the statement of financial position as follows:

	31 Dec 2022 K000	31 Dec 2021 K000
Cash at bank and on hand	128,012	105,321
Interest bearing deposits	35,542	121,181
Cash and cash equivalents	163,554	226,502

Interest bearing deposits have a maturity of less than 90 days. Interest rates ranged from 0.25% to 7.0% (2021: 0.5% to 6.25%).

22. Related party transactions

Related parties represent major shareholders, directors and key management personnel of the Fund and entities controlled, jointly-controlled or significantly influenced by such parties. Pricing policies and the terms of these transactions are approved by the Board of Directors.

Management and some members of the board of directors are also members of the Fund under normal commercial terms and conditions.

Transactions with related parties during the year are as follows:

(i) Nasfund Contributors Savings and Loan Society ("ncsl")

Nasfund Contributors Savings and Loan Society is a related party as Nasfund contributors are eligible to be members of the Society.

	31 Dec 2022 K000	31 Dec 2021 K000
Opening balance owing to Nasfund	27	27
Payments made to Nasfund	(19)	-
Closing balance	8	27

National Superannuation Fund
Notes to, and forming part of, the financial statements
For the year ended 31 December 2022

22. Related party transactions (Continued)

(iv) Transactions with key management personnel

All Directors and the Company Secretary are considered key management personnel together with the following management personnel; Ian Tarutia (CEO), Anne Wilson (GMMES), Seema Dass Raju (GMLRC), Rajeev Sharma (COO), Fiona Nelson (GMI), Arua Taravatu(GMIT&I), Doris Gedare (Company Secretary) and VincentLialu (GMT), Lisa Costigan(Head of Internal Audit), Judah Waffi (Head of Special Projects) and Turaho Morea (Head of Strategy Implementation).

(v) Compensation

Key management personnel compensation comprised of:

	31 Dec 2022	31 Dec 2021
	K000	K000
Salary and fees	7,302	7,563
Non-monetary benefits	331	389
Post-employment benefits	989	647
	8,622	8,599

(vi) Loans

No loans were provided to key management personnel during the year.

(vii) Benefits paid to directors

The following payments were made to Board members and Board Committee members:

	31 Dec 2022	31 Dec 2021
	K000	K000
- Sitting allowance	371	281
- Board fees	1,504	1,530
- Directors insurance	218	195
- Other Costs	292	47
	2,385	2,053

All of the above payments were made in the ordinary course of business.

National Superannuation Fund
Notes to, and forming part of, the financial statements
For the year ended 31 December 2022

22. Related party transactions (continued)

(viii) Board and CEO personal interests as at 31 December 2022

Name	Nature	Organisations
Ms. Tamzin Wardley, LM, MBE	Director/Executive member Director Shareholder	Royal Papua Yacht Club Inc. Westpac PNG Ltd; Water PNG Ltd; Buk Bilong Pikinini Inc Steel Industries Ltd; Santos Ltd; Vanguard Ltd.
Mr. Ian A Tarutia, OBE	CEO Director Shareholder	Nasfund. Chairman NASFUND Contributors Savings & Loans Society Ltd (ncsl); ENB Properties Ltd; Cloudapp Laboratory Ltd; Loloata Island Resort Ltd. BSP; PNG AIR; Seychelles Ltd (100% privately owned family entity).
Mr. Charles Vee	Director/Shareholder	Architectural Allianz Ltd.
Mr. Leon Buskens	Director/Shareholder Chairman/Director Shareholder Trustee-Not for Profit	SP Brewery Limited; Gazelle International Hotel; Kopkop College; Santos Foundation. IPA. Santos Limited. National Football Stadium.
Mr. Kepas Wali	Director/Shareholder Chairman/Director Director	Minerals & Petroleum Consultants Ltd, PNG Ports Corporation Ltd. PNG Ports Corporation Ltd. Morobe Exploration Ltd; Morobe Consolidated Goldfields; Harmony Gold (PNG) Exploration Ltd; Wafi Mining Ltd.
Ms. Florence Willie	Director/shareholder Deputy Chair	Konevilla No 1 Consultants Limited. National Apprenticeship and Trade Testing Board; National Training Council;
Mr. Michael Murphy	Owner Shareholder	Mike Murphy Actuarial. Telstra Corporation Limited (AUS); AMP Limited (AUS); AON PLC (US/UK).
Mr. Anthony Yaueb	Director/ shareholder	Allen PNG Limited.
Ms. Julienne Leka-Maliaki	Shareholder Director	PNG Air Ltd; Santos Limited. Logic Connect Ltd.
Mr. Christopher Elphick	Shareholder/Director Director/Member	Natu Investments (PNG) Limited; Tohouwa (PNG) Limited. Nasfund Contributions Savings & Loans Society; Transparency International PNG; Young Professional Network of PNG MIICo; Milne Bay Islands Investments Company Limited.

National Superannuation Fund
Notes to, and forming part of, the financial statements
For the year ended 31 December 2022

23. Financial instruments

(a) Credit risk

Credit risk is the risk of financial loss to the Fund if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Fund's receivables from customers and investment securities.

Trade and other receivables

Trade and other receivables relate mainly to the Fund's rental debtors. Customers that are graded as "high risks" are placed on a restricted customer list and monitored by the property managers and management of the Fund.

The Fund establishes an allowance for impairment that represents its estimates of incurred losses in respect of trade and other receivables and investments. The main components of this allowance are a specific loss component that relates to individually significant exposures.

Investments

The Fund manages its exposure to credit risk by ensuring that adequate return is priced for the Fund taking on the specified credit risk. The fund actively monitors its investments for changes in credit risk.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	31 Dec 2022 K000	31 Dec 2021 K000
Government inscribed stock	2,498,812	1,888,976
Equity securities	2,292,064	2,316,346
Loan receivables	164,834	145,797
Interest receivables	79,981	61,995
Property receivables	8,999	9,986
Other receivables	30,222	26,849
Treasury bills	551,140	751,251
Cash and cash equivalents	163,554	226,502
Total	5,789,606	5,427,702

The maximum exposure to credit risk for loans and receivables at the reporting date is concentrated in Papua New Guinea.

Aging of property receivables

The ageing of unimpaired property receivables at the reporting date was:

	31 Dec 2022 K000	31 Dec 2021 K000
Current	114	1,176
31 - 60 days	273	917
61 - 90 days	297	756
over 90 days	8,315	7,138
Total	8,999	9,986

The movement in the allowance for impairment in respect of property receivables is as follows:

	31 Dec 2022 K000	31 Dec 2021 K000
Opening balance	4,591	4,591
Doubtful debts provisions during the year	13	-
Write-offs during the year	-	-
Closing balance	4,604	4,591

(b) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Fund's approach to managing liquidity risk is to ensure as far as possible that it will always have sufficient liquidity to meet its obligations when due under normal and stressed conditions without incurring unacceptable losses or risking damage to the Funds' reputation.

National Superannuation Fund
Notes to, and forming part of, the financial statements
For the year ended 31 December 2022

23. Financial instruments (continued)

(b) Liquidity risk (continued)

Typically the Fund ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 90 days, including the servicing of repayments of members balances, withdrawals and loans; this exclude the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. The Fund allows members to withdraw benefits in accordance with the appropriate requirements and it is therefore exposed to the liquidity risk of meeting member's legitimate withdrawal requests at any time.

The Fund's financial instruments include investments in unlisted investments (including property) which are not traded in an organised market and that generally may be illiquid. As a result, in extraordinary circumstances, there is a risk that the Fund may not be able to liquidate all of these investments at their net market value in order to meet all of its liquidity requirements.

(c) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Fund is exposed to currency risk on financial instruments that are denominated in currencies other than the functional currency (Kina) of the Fund.

Consequently, the Fund is exposed to risks that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of the Fund's investments denominated in currencies other than the Kina.

The Fund's exposure to foreign currency risk was as follows based on notional amounts:

As at 31 December 2022	AUD K000	USD K000	SBD K000
Equity investments	112,326	495,081	98,550
Cash at bank	20,689	20,638	2,421
Gross balance	133,015	515,719	100,971
% of net asset value	2.1%	8.2%	1.6%
Foreign exchange rate	0.42	0.29	2.35
As at 31 December 2021			
Equity investments	109,220	585,168	79,550
Cash at bank	13,901	-	2,381
Gross balance	123,121	585,168	81,931
% of net asset value	2.1%	9.9%	1.4%
Foreign exchange rate	0.37	0.27	2.17

Sensitivity analysis

A 10 percent strengthening of the PNG Kina against the above currencies at 31 December would have decreased equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis was performed on the same basis for 2022 and 2021.

	31 Dec 2022 K000	31 Dec 2021 K000
AUD	13,302	12,312
USD	51,572	58,517
SBD	10,097	8,193
	74,971	79,022

A 10 percent weakening of the PNG Kina against the above currencies at 31 December would have had the equal but opposite effect on the amounts shown above, on the basis that all other variables remain constant.

National Superannuation Fund
Notes to, and forming part of, the financial statements
For the year ended 31 December 2022

23. Financial instruments (continued)

(d) Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

At the reporting date the interest rate profile of the Fund's interest-bearing financial instruments was:

	31 Dec 2022 K'000	31 Dec 2021 K'000
<i>Fixed rate instruments</i>		
Government inscribed stock	2,498,812	1,888,976
Treasury bills	551,140	751,251
Loan receivables	164,834	145,797
	3,214,786	2,786,024
<i>Variable rate instruments</i>		
State grant	-	-
Loans and other receivables	-	-
Total	3,214,786	2,786,024

(e) Other market price risk

Other market price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

As the Fund's financial instruments are carried at fair values with changes recognised in the statement of profit and loss and other comprehensive income, changes in market conditions affecting fair value will be recognised.

Investments of the Fund (other than cash held for liquidity purposes, investment properties and fixed interest instruments) comprise shares in listed companies, investments in unlisted companies and funds. The Fund's exposure therefore is limited to the fair value movement of these investments.

Other market price risk is mitigated by constructing a diversified portfolio of instruments which are traded on various markets. All investment managers are subject to extensive due diligence prior to being appointed with the recommendation for their appointment and removal made by the Investment Committee to the Board for final approval.

The Investment Division receive monthly reports from all investment managers which are reviewed in detail and assessed against relevant benchmarks and expected returns. Investment manager performance is reported to the Investment Committee and Board on a quarterly basis.

National Superannuation Fund
Notes to, and forming part of, the financial statements
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23. Financial instruments (continued)

(e) Other market price risk (continued)

Sensitivity analysis

Following analysis of historical data and expected investment rate movements during the 2022 financial year, together with consultation with the investment consultant, the Fund's Investment Department considers the following movements in other market price risk are reasonably possible.

Listed overseas shares	15%			
Listed local shares	10%			
Investment in unquoted companies	5%			
			Effect on	Effect on
			net assets	net assets
			And profit	And profit
			increase	Decrease
			K000	K000
As at 31 December 2022	%	Carrying		
		Amount		
		K000		
Listed overseas shares	15%	607,407	91,111	(91,111)
Listed local shares	10%	708,658	70,866	(70,866)
Investment in unquoted companies	5%	975,999	47,896	(47,896)
As at 31 December 2021				
Listed overseas shares	15%	694,388	104,158	(103,305)
Listed local shares	10%	692,579	69,258	(69,258)
Investment in unquoted companies	5%	929,379	46,469	(46,469)

(f) Fair value versus carrying values

The carrying amounts of financial assets and liabilities as set out in the statement of financial position approximates their fair values. The significant methods and assumptions used in estimating the fair values are stated in notes 4, 9 and 10.

(g) Fair value hierarchy

Subsequent to initial recognition, the Fund uses the fair value hierarchy in determining the fair value of its available-for-sale financial assets, financial assets at fair value through profit and loss ("FVTPL") and financial liabilities at FVTPL. The fair value hierarchy groups the financial instruments into Levels 1 to 3 based on the degree to which the fair value is observable. Details of each level are discussed in note 10(b) (iv).

The table below presents the basis of determining the fair value of each class of the Fund's financial instruments measured at fair value subsequent to initial recognition.

	Level 1	Level 2	Level 3	Total
	K000	K000	K000	K000
As at 31 December 2022				
Equity securities	1,316,065	-	975,999	2,292,064
Investment Properties	-	-	519,512	519,512
	1,316,065	-	1,495,511	2,811,576
As at 31 December 2021				
Equity securities	1,381,275	-	929,381	2,316,346
Investment Properties	-	-	529,135	529,135
	1,381,275	-	1,458,516	2,845,481

National Superannuation Fund
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23. Financial instruments (continued)

(h) Measurement of fair values

(i) Financial instruments measured at fair value

Equity securities

Capitalisable maintainable earnings (CME) approach and net assets approach were the valuation models used in measuring the fair value of the Level 3 fair value equity securities.

For a summary of valuation methods used, unobservable inputs and sensitivity analysis associated with Equity securities, please refer to note 9.

(ii) Financial instruments not measured at fair value

Debt securities

Debt securities, which includes government securities and other loans are valued at amortised cost. Due to the absence of an observable market of these debt securities in Papua New Guinea and/or their nature as loans, the amortised cost approximates their fair values. There is no significant unobservable input used in the valuation model.

(iii) Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values:

	31 Dec 2022 K000	31 Dec 2021 K000
Opening balance	1,458,516	1,406,346
Changes in fair value	43,991	(26,781)
(Disposals / redemptions) or additions during the year	(6,996)	78,950
Closing balance	1,495,511	1,458,516

24. Comparative figures

Certain amounts in the comparative financial statements and note disclosures have been reclassified to conform to the current year's presentation. Management believes that the above reclassifications resulted in a better presentation of accounts and did not have any impact on prior year's profit or loss.

25. Events after balance sheet date

The Board has assessed the events subsequent to year end up to the date of signing these financial statements and determined that no adjustments or additional disclosures are required.

Corporate Directory

Directors

Tamzin Wardley, LM, MBE
Independent

Anthony Yaueib
Independent

Charles Vee
Independent

Kepas Wali
PNG Trade Union Congress

Leon Buskens
PNG Chamber of Commerce and Industry

Michael Murphy
Independent

Florence Willie
Employers Federation of PNG (EFPNG)

Julienne Leka-Maliaki
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MEMBERSHIP DISCOUNTS for 2023

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Nationwide	Discount	Lae	Discount	Goroka	Discount
Air Nuigini (cargo)	15%	AGD Printing Ltd	25%	Brian Bell & Co Limited	15%
Brian Bell & Co. Ltd	15%	BMBN Homecentre	10%	Brian Bell Chemical	15%
PNG Air	K50	Brian Bell & Co Ltd	15%	Bulldog supplies	5%
Port Moresby	Discount	Brian Bell Chemicals	15%	KKB / Kainantu Lodge	5%
Able Computing (PNG) Ltd	10%	Brian Bell Electricals	15%	Pacific Gardens Hotel	15%
All Workers Barber Services Ltd	20%	Chin H Meen & Sons Ltd	10%	Wewak	Discount
Anitua Hardware	10%	Lae International Hotel	10%-15%	Leon Hardware	10%
Badili Hardware	10%	Masslift New Guinea	10%	Seaview Hotel	10%
BizPrint & Scan	10%	Nesian Beauty	20%	Wabag	Discount
Brian Bell & Co. Ltd	15%	Niugini Builders Suppliers Ltd	5%	Ribito Hotel Limited	5%
Brian Bell Chemicals	15%	Nuigini Electrical Company	12.50%	Alotau	Discount
Brian Bell Electrical	15%	Phils Hotel	5%	Milne Bay Hardware (Brian Bell Supplier)	15%
Café Pacific	10%	PNG Pipemakers Ltd	5%	Samarai Plastics	10%
Camp Administration	10%	Theodist Limited	10%	Lihir	Discount
Cellar Restaurant	10%	Mt Hagen	Discount	Anitua Hardware	10%
Chin H Meen & Sons Ltd	15%	Brian Bell & Co Ltd	15%	Awella Books & Stationary	5%
Chin H Meen Entertainment Centre	10%	Brian Bell Chemicals	15%	Kavieng	Discount
City Health Care	10%	Country Farmers Hardware	5%	Bisi Trading Ltd	5%
Courts (PNG) Ltd	10%	FU Qing GOR Trading	5%	Bisi Trading Ltd	8%
Daltron Ltd	10%	Gilsenan Melpa Ltd	10%	Huilong Enterprise Limited	5%
Dental On Coronation	10%	Hagen Airport Motel	5%	Huilong Enterprise Limited	10%
Electrical Wholesalers Ltd	18%-20%	Jiwaka Mission Resort	5%	Island Builders Suppliers	10%
Essence Floral	25%	Kiminiga Hotel - Accommodation	15%	Joseph Tongs & co	5%
Etnambo Builders	10%	Kiminiga Hotel - Meals	20%	Kavieng Hotel	15%
Fx Business Centre	10%	Magani Motor Services	5%	PMM (Cofgro No.35) Ltd	15%
Glow Hair Boutique	10%	Manan Hardware & Electrical Services	5%	Red Star Investment Limited	10%
Holiday Inn and Suites	10%	McRoyal Hotel	10%	Tabubil	Discount
Hope Essence Dental Care	50%	Mountain plumbing and hardware supplies	15%	Brian Bell Chemicals	15%
Ideal Hardware	11%	Mt Wilhelm Hotel	5%	Camp Administration	10%
Ideal Hardware – Home Centre	15%	Mt William Hotel	5%	LBL Retail Shop	10%
Lamana Hotel	20%	PIH- Mt Hagen	10%- 50%	New Century Ltd	10%
Leon Enterprise Ltd	10%	Poiyo Ltd	5%	Poro Point	10%
Look Fresh Salon	10%	Shir Shar Computing & Electronics	15%	Unique Hardware	10%
Lotus Spa	15%	Steel Works	10%	Western Medicare Clinic	10%
Majestic Ocean Ltd - Bzzworld	10%	Total Homes Limited	5%	WP Constructions Ltd	15%
Mills Dental Care	10%	Kokopo	Discount	Kiunga	Discount
Monier Ltd	10%	Barlow Industries	3%	Dynamic Engineering & Construction Ltd - Electrical	15%
Mr. Mike	10%	Brian Bell & Co Ltd	15%	Dynamic Engineering & Construction Ltd -Hardware	12%
Nanga Medical & Dental Centre Ltd	12.50%	Brian Bell Chemicals	15%	Dynamic Engineering & Construction Ltd -Timber	10%
Neisian Beauty	20%	Electrical Services Suppliers	6.50%	Unique Hardware	10%
Oi Lau Timber Yard	20%	Hongland Hardware	10%	WP Constructions & Pharmacy Hardware	15%
PNG Pipemakers	5%	Plumbers & Builders Suppliers	6.50%	Vanimo	Discount
Prolink International	5%	Rabaul Refrigeration Services	6.50%	Aung Myae Ltd	10%
Relexo Shoe Shop	10%	Kimbe	Discount	Lin S Trading	10%
Remington Technology Limited	12.50%	Able Computing (PNG) Ltd	10%	Vanimo Forest Products	5%
Sed Optical Ltd	20%	BMBN Hardware and Home Centre	5%	Kundiawa	Discount
		Kimbe Bay Hotel	10%	Etnambo Builders	10%
		Kimbe Bay Shipping Agencies	12%	Manus	Discount
Solar Energy Solutions PNG	10%	Liamo Reef Resort	10%	Handyman Home Centre Shop	7%
Solar Energy Solutions PNG	12.50%	Madang	Discount	Juromo Enterprise	10%
Solar Energy Solutions PNG	15%	Brian Bell & Co. Ltd	15%	Kingfisher Lodge	10%
Solar Solutions PNG Ltd_Haier	15%	Brian Bell Chemicals	15%	Physique Ltd - Lorengau	10%/15%
Solar Solutions PNG Ltd_Leadsun	10%	Ela Enterprise	10%	Tapo's Lodge & Tours	5%
Solar Solutions PNG Ltd_Sentinel	10%	Jais Aben	15%	Buka	Discount
SR Curio investments Limited	16%	Madang Resort	10%	silaragu & Sons Ltd	5%
Tandoor on the Harbour	10%	Surpass investment	5%	Bialla	Discount
Tasty Bite	10%			Dominant Trading	10%
The Shady Rest Hotel	10%			New Town Store Hardware	3%
The Stanley Hotel & Suites	5%			Protonjar Consultancy	5%
Theodist Ltd	10%			Bialla Staywell Lodge	3%
Trends Beauty International	10%			Huvi Guest House	10%
Wellness	5%				
2Fast Motors	10%				

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2 - English

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2 - Benefit Withdrawal
0 - Transfer to operator
***** - Repeat or hang up

Step 4. Enter **Membership Number** and #

Step 5. Enter **Date of Birth** and #
Example: 16031982 for (16 March 1982)

Step 6. Press: ***** - Repeat
5 - Go back to main menu
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or hang up

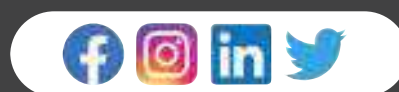
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