



ANNUAL
REPORT
2023



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EsiCall Sevis

Interactive voice response



Member online portal

Member access to superannuation details



QMATIC

Queue management system



Emails

Enquiries made via emails



Text-Bal

Balance request via text messaging



e-Withdrawals

Unemployment benefit claims and housing advance applications lodged via email



Super calculator

Interest calculation



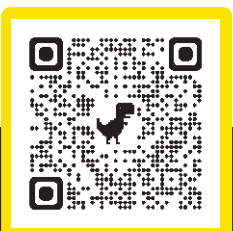
Employer online portal

Employer access to superannuation details

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Who we are

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2023 snapshot

Net Profit after tax

K597M

compared to
K256M in 2022

Interest credited

K584M

compared to
K259M in 2022

Net asset value

K7.0B

compared to
K6.3B in 2022



Contributions

K706M

compared to
K650M in 2022

Membership base

688,169

compared to
653,754 in 2022



Withdrawals

K534M

compared to
K547M in 2022



Message from the Chairwoman



2023 was a year of new beginnings here at Nasfund. We welcomed our new Chief Executive Officer, Mr Rajeev Sharma and three new members of our executive team with the appointment of Ms Debbie Oli (Finance), Ms Lisa Costigan (Risk & Compliance) and Mr Turaho Morea (Marketing & Communications).

2023 was also a year that saw massive global disruption with high levels of inflation and markets affected by the geopolitical instability triggered by the impact of the Russian-Ukraine war on supply chains, ongoing threats to shipping and the Israel-Hamas conflict.

Amidst all this, I am delighted to advise that Nasfund weathered this storm and has reported a result of K597million PAT for the 2023 year, a 134% increase over 2022. Our Net Assets have increased to over K7billion.

This result is due to strong returns from our GIS investments and investee companies, increased valuations across our portfolio of investments and favourable exchange movements.

The year had its challenges, however, with an increase in defaulting employers, banking system issues that affected contribution allocations in the first half of the year, a flat rental market, and the ongoing shortage of foreign currency meant that we were unable to take advantage of our targeted international investment plan.

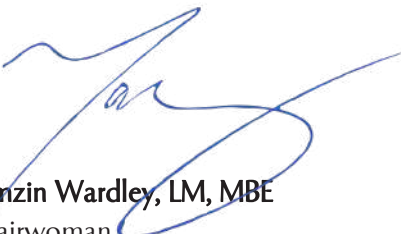
Our results for 2023 were a major achievement but we could have achieved even more if the economic climate had been right.

Fortunately, we have begun to see an upswing in the demand for property as new projects begin to take shape across the country. The large resource projects, whilst incurring some delays, are beginning to take shape and we welcome the reopening of the Porgera Mine and the employment that this has already started to bring. Businesses across the country are investing in new activity and property.

Your Board took the opportunity to review what Nasfund had achieved during its first 20 years and has developed our new strategy to ensure your Fund is ready for the expected upturn in the PNG economy. We will also embark on an education program to highlight the importance of retirement savings and how to maximise these.

Nasfund announced the opening of our e-branch, essentially a collection of digital offerings to improve members access to their personal information. We recognize, however, that not all our members have equal access to technology and that personal connection remains at the heart of what we do. To this end, we have continued to roll out our branch upgrade program.

On behalf of the Nasfund Board I thank the Nasfund team for their enthusiasm and collaboration to ensure our Fund delivers the services expected by our Members whilst working towards exciting and innovative new ways to make continued improvements. I also thank our Board members whose commitment to the Fund and our members continues to be an inspiration.


Tamzin Wardley, LM, MBE
 Chairwoman



Message from the Chief Executive Officer



Dear Nasfund Members and Employers,

It is with great pleasure that I present the performance and activities of your Fund for 2023, marking my inaugural year as CEO. I am delighted to report that this year's results represent the most significant accomplishments of the past decade, attributed mainly to the robust performance of our international investments. As at the end of 2023, our international asset class was 11.85% of our investment portfolio against a targeted 15% weighting. Reaching the targeted weighting would've been possible if not for the lingering FX shortage issues the country has been facing.

In spite of that, the Fund made significant progress. Cash income increased by 12% against the budget, expenses were 10% below budget, and we achieved an over-budget net profit of K597 million.

Despite some lingering issues, the Nasfund Board approved an interest rate of 9.0%, amounting to over K584 million. This interest rate, derived from a net profit of K597 million, was credited to individual member accounts on the 8th of March, 2024.

I am proud to highlight some key indicators that underscore the exceptional performance of your Fund compared to the preceding year.

	2023	2022
New members registered	68,166	64,305
New employers registered	110	392
Total membership base	688,169	653,754
Total employer base	3,028	3,020
Total contributions received	K706 million	K650 million
Total withdrawals paid	K534 million	K547 million
No of transactions	79,156	86,394
Shop floor presentations	905 - with 26,163 attendees	771 - with 31,457 attendees
Total asset value	K7.13 billion	K6.35 billion
Net asset value	K7.07 billion	K6.3 billion
Total income before tax	K662 million	K306 million
Total expenses	K74 million	K72 million
Net profit after tax	K597 million	K256 million
Annual crediting rate	9.0%	4.3%
Kina value paid to members	K584 million	K262 million

In 2023, Nasfund bid farewell to a stalwart of our organization, Mr. Ian Tarutia, who had been an integral part of Nasfund for an impressive 35 years, including 11 years as our CEO. Ian's leadership has driven pivotal reforms, leaving an indelible mark on our journey.

During my first year as CEO, we proudly launched Nasfund's new core values: Growth, Responsible, Inspire, Connect, and Trust. These values serve as guiding principles, shaping our decisions and actions in the ever evolving retirement savings and investment landscape.

Our efforts to expand membership and registered employers have been fruitful. Membership grew by 5%, adding 68,166 new members, and employer growth was at 7%, with 110 new employers joining the Fund. The overall positive net delta of K166 million achieved in 2023 was due to the high contribution growth, well over K710 million, against a total withdrawal of K534 million.



Message from the Chief Executive Officer

Managing unallocated contributions was sometimes challenging due to system changes and technical issues. Despite these challenges, we surpassed our monthly target eight times in the past 12 months, contributing to reaching our annual target of K87 million.

We have also made great efforts to engage with our members through various channels, including shopfloor and virtual presentations, ensuring we connect with them regardless of location. Additionally, we initiated a young savers awareness program targeting schools, aiming to foster financial literacy, particularly superannuation literacy, from an early age.

To enhance the membership experience, we introduced the Nasfund eBranch, a virtual platform integrating our Call Centre with e-withdrawal services, providing added convenience and accessibility.

Effective employer engagement has been essential for operational efficiency. Our employer conference in Port Moresby provided a platform for discussions on critical operational issues, emphasizing the importance of accurate and timely contribution remittance. We also hosted luncheons nationwide, strengthening employer relationships and raising awareness about the employer online portal, streamlining the contribution remittance process.

Our commitment to excellence was reinforced through the successful execution of the Employer Awards Night, where we celebrated outstanding employers across various categories. We engaged Deloitte to ensure transparency and integrity in the selection process.

Collaboration with Nambawan Super to co-host the Pacific Islands Investment Forum was a highlight of the year. This gathering facilitated dialogue and collaboration between superfunds, local businesses, and esteemed agencies, fostering economic prosperity in the region.

Additionally, we launched the inaugural Nasfund Investment Conference, targeting our top 100 employers. This forum enabled the exploration of investment opportunities, demonstrating our commitment to supporting our valued partners.

As responsible corporate citizens, we continued our environmental and social initiatives, participating in a mangrove tree-planting program and supporting organizations like Buk Bilong Pikinini. We coordinated a cancer awareness program to impact our communities positively. Our ongoing advocacy for women's employment and the fight against tuberculosis and HIV/AIDS reflects our commitment to social responsibility.

While preparing this Annual Report, we were confronted by the events of Wednesday, January 10, 2024, which caused significant damage to businesses, loss of assets and properties, and job disruptions. This has impacted companies co-owned by Nasfund members, resulting in expected lower dividends and delayed and lower contributions. The fund is provisioning for potential losses in 2024.

Looking ahead, our new Corporate Strategy for 2024-2026 will prioritize member engagement and improved efficiency. With the support of our Board, Management, and Staff, and our newly adopted core values, we aim to provide the best membership experience and rewarding returns.

On behalf of the Nasfund team, I sincerely thank our shareholders, members, employers, and stakeholders for their continued support. I also extend my appreciation to my executive management team and staff. We remain committed to fulfilling our mandate as your trusted and reliable retirement savings and investment partner.

Yours sincerely,

Rajeev Sharma
Chief Executive Officer



Our values



CONNECT

We are connected with our members



TRUST

We are open, transparent and communicative



RESPONSIBLE

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



GROWTH

We strive to maximize returns for our members



INSPIRE

We empower our people as capable professionals



Corporate statement

Our vision

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

Our 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

About Nasfund

Who we are

We are the largest private sector superannuation fund in Papua New Guinea. At 31 December 2023, over 680,000 hard-working members trusted us to take care of K7.0 billion of their retirement savings. We're here to help our members retire well with confidence, focused on strong long-term investment returns, and to provide information to our members to help manage their super and retirement.

What we do

As an authorised superannuation fund, registered employers remit their employees contributions to us, as a percentage of their basic salary (excluding overtime, bonus and commission):

- 6.0% employee contributions (i.e. after-tax contributions)
- 8.4% employer contributions (i.e. pre-tax contributions)

The contributions collected are deployed using an approved investment strategy.



Five-year historical performance

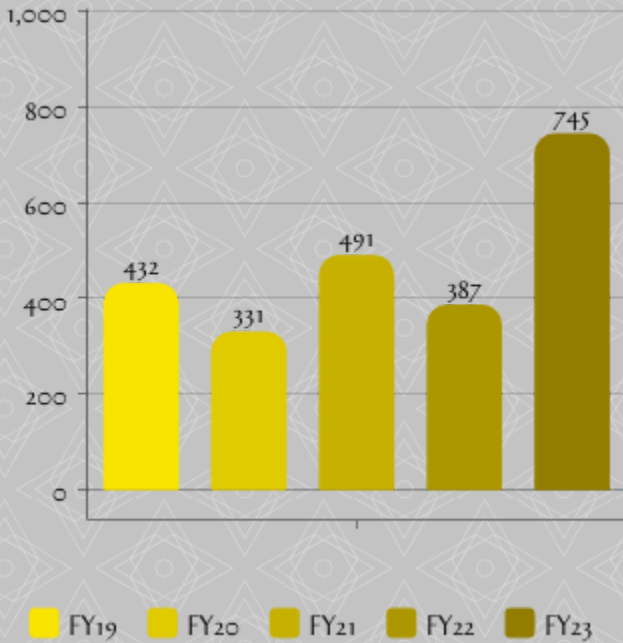
Statistical information	2023	2022	2021	2020	2019
Assets & Liabilities					
Net asset value (K'000)	7,067,845	6,299,651	5,940,241	5,573,689	5,244,847
Growth rate (%)	12.19%	6.05%	6.58%	6.27%	10.33%
Profitability					
Total comprehensive income (K'000)	596,618	256,275	363,290	222,961	312,627
Interest credited to members' accounts	9.0%	4.3%	6.5%	4.5%	6.3%
Reserves (% of NAV)	0.48%	0.04%	0.17%	0.18%	0.57%
Employers & active members					
Number of active employers	3,028	3,020	2,700	2,576	2,797
Number of active members	218,744	204,554	191,222	197,824	193,601
Total membership base	688,169	653,754	622,938	604,587	584,679
Balance per member (K'000)	10.28	9.64	9.54	9.22	8.97
Expenses					
Total expenses (K'000)	73,814	72,324	62,625	61,908	62,077
Management expense ratio (MER)	1.10%	1.18%	1.09%	1.14%	1.25%
Fund administrator's fees (K'000)	10,097	9,921	9,199	8,768	7,707
Investment manager's fees (K'000)	6,548	6,320	5,673	7,990	6,951
Number of full time staff	172	183	163	162	152
Cashflows					
Contributions (K'000)	713,932	636,136	589,376	573,830	561,947
Withdrawals (K'000)	534,164	546,894	586,114	467,926	383,232
Number of members receiving benefit payments	79,156	86,394	91,995	93,073	70,650
Returns against inflation					
Rolling 5-yr avg. crediting rate (%)	6.12%	5.02%	5.76%	5.91%	5.81%
Rolling 5-yr avg. CPI rate (%)	4.92%	5.10%	4.92%	5.12%	5.16%



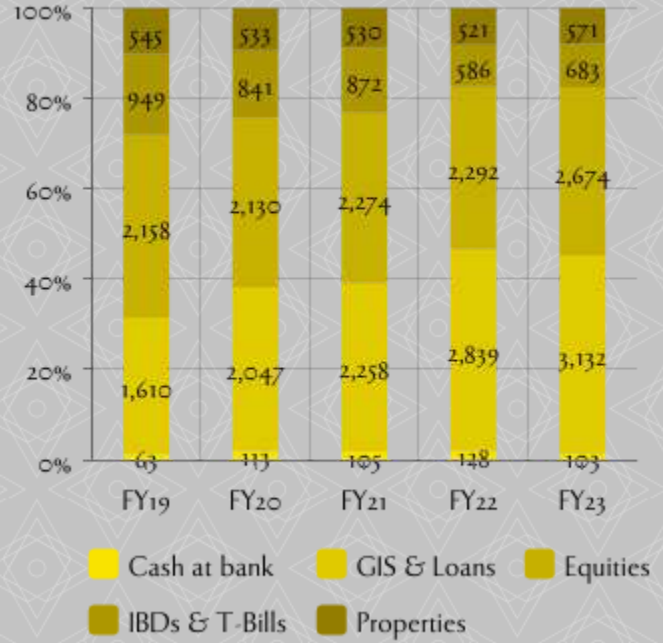
Highlights

Investment

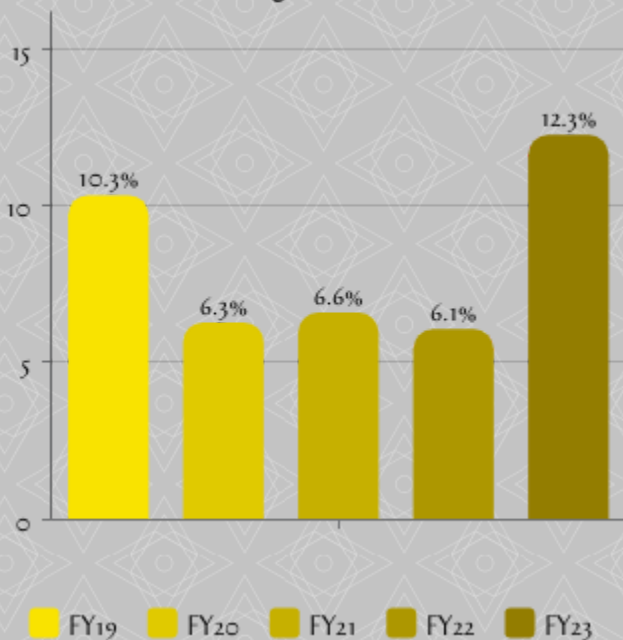
Net investment income (K'm)



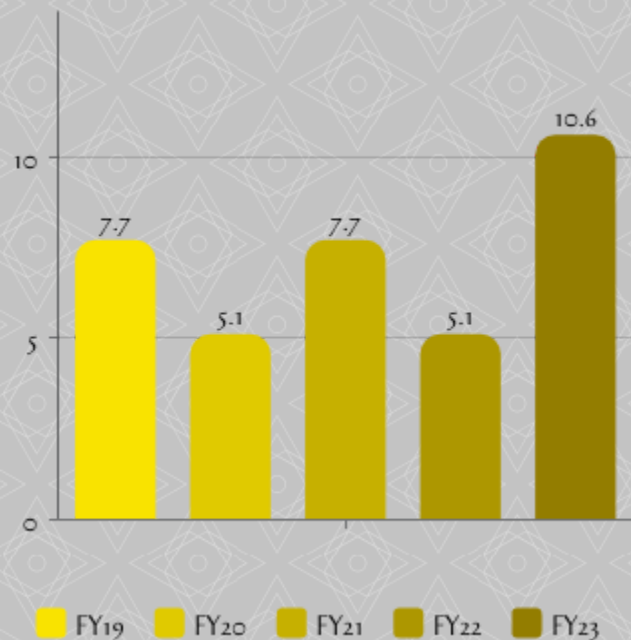
Investment portfolio assets (K'm)



Portfolio growth rate (%)



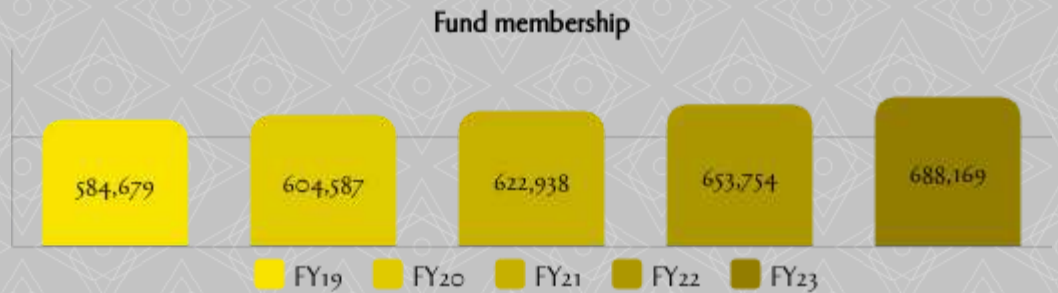
Portfolio return (%)



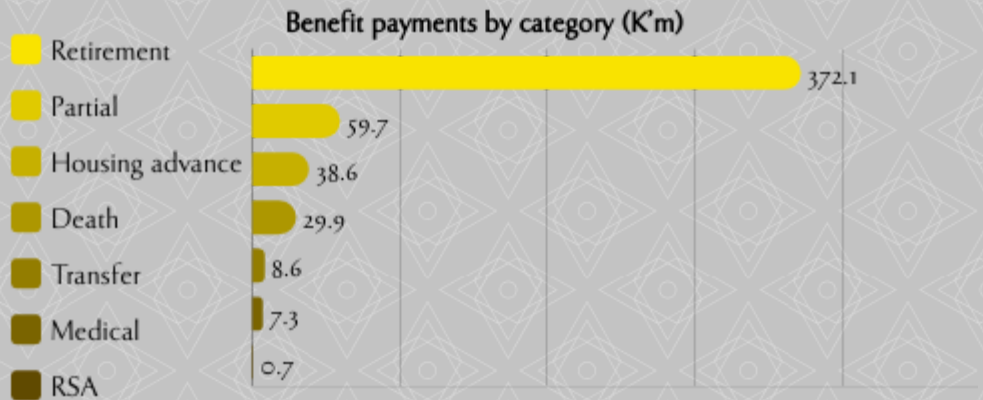


Highlights

Membership



Benefit payments



Membership by age category

Status	Active	Balance	Inactive	Balance	Total	Balance
Age Group	Membership		Membership		Membership	
<20	467	K1M	208	K0M	675	K1M
20-29	48,855	K183M	45,088	K52M	93,943	K235M
30-39	69,218	K1,110M	107,047	K280M	176,265	K1,390M
40-49	44,937	K1,602M	78,467	K387M	123,404	K1,989M
50-59	22,876	K1,340M	64,802	K364M	87,678	K1,704M
>60	23,510	K505M	180,100	K520M	203,610	K1,026M
Total	209,863	K4,741M	475,712	K1,603M	685,575	K6,344M



Our executive management team

The Nasfund Executive Team is responsible for the day-to-day management of the Fund's operations and the implementation of the policies and strategies set by the Board.



Rajeev Sharma

Chief Executive Officer

Rajeev was appointed Chief Executive Officer on the 1st of February, 2023, previously serving as the COO and CFO.

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

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



Debbie Oli

Chief Financial Officer

Debbie joined Nasfund on the 3rd of July, 2023. Before joining Nasfund, she was an Assurance & Advisory partner with Deloitte Touche Tohmatsu.

She holds a Bachelor's Degree in Accounting and Management from the Pacific Adventist University.

With over 16 years of experience in external audit and finance, Debbie has worked across the Pacific Region and throughout Australia. She has also worked in the UK. Her experience spans across various industries in both the private and public sectors.

Debbie is a Fellow CPA PNG, and a Member of the Australian Institute of Directors. She also sits on the council of CPA PNG.



Vincent Lialu

Chief Officer - Talent & Culture

Vincent joined Nasfund on the 23rd of January 2017 as Chief Officer - Talent & Culture.

He is a qualified HR Professional with 19 years experience in managing a full spectrum of Human Resources, Learning & Development, Talent and Change Management.

Prior to joining Nasfund, Vincent served as the HR manager with Puma Energy PNG and British American Tobacco (PNG) Ltd as HR Business Partner.

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



Our executive management team

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Lisa Costigan

Chief Risk Officer

Lisa joined Nasfund in October 2015 as Risk and Compliance Manager, before taking up the role of Finance Manager. In 2022 she was appointed Head of Internal Audit, before being appointed in September 2023 to her current position as Chief Risk Officer.

She is an experienced accounting, audit and risk professional with over two decades of experience, including 11 years with Big 4 firms PwC and Deloitte, and 4 years with homegrown second tier firm Gore Accountants & Business Advisors.

Lisa has a degree in Business (Accounting), CPA PNG certification, an MBA from Torrens University, and is also a professional member of PNGID and AICD.



Arua Taravatu

Chief Technology Officer

Arua joined the Fund on the 4th of February 2019 as Manager Information Technology. After a 6-month acting period, he was appointed Chief Technology Officer 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.

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.



Fiona Nelson

Chief Investment Officer

Fiona joined Nasfund on the 17th of August, 2020. Fiona has over 15 years of experience in financial economics, public policy and portfolio management.

Prior to joining the fund, she was the General Manager PNG commercial of Oil Search Asset Strategy. Additionally, she has worked with PacWealth Capital as Head of Investments, and with Kumul Consolidated Holdings (KCH) as Senior Portfolio Manager.

Fiona holds a Bachelor's 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.



Our executive management team

The Nasfund Executive Team is responsible for the day-to-day management of the Fund's operations and the implementation of the policies and strategies set by the Board.



Judah Waffi

Executive Officer to the CEO

Judah is the Executive Officer to the CEO, appointed to his role midway through the financial year.

Over a span of 18 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 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.



Anne Wilson

Chief Officer - Member Services

Anne joined Nasfund on the 18th of May, 2020. She has a wealth of fund administration and leadership experience having served as the 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.

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.



Turaho Morea

Chief Communications Officer

Turaho was appointed the Chief Communications Officer midway through the financial year after the establishment of the marketing, communications and research division.

Prior to his appointment, Turaho was the Head of Strategy and Implementation overseeing the management and delivery of the Board's 5-year strategy.

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



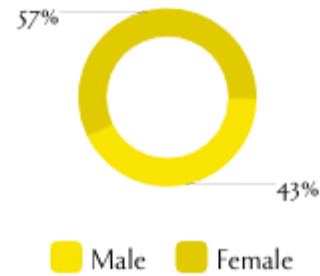
Talent & Culture

Our people

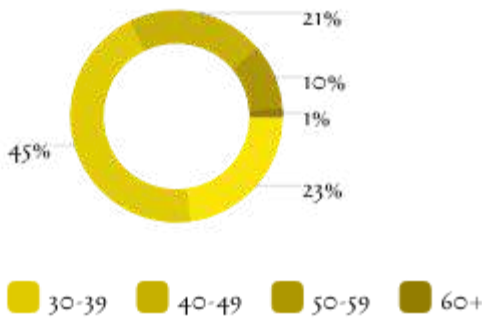
Our team at Nasfund works from offices and branches in Port Moresby, Lae, and 19 other locations around the country. With more than 170 people working at Nasfund, we have a diversity of backgrounds, skills and approaches to deliver for our members.

Nasfund prides itself in promoting an equitable environment. There are currently 5 women in executive leadership roles, making the female gender representation 50% across the EXCOM team.

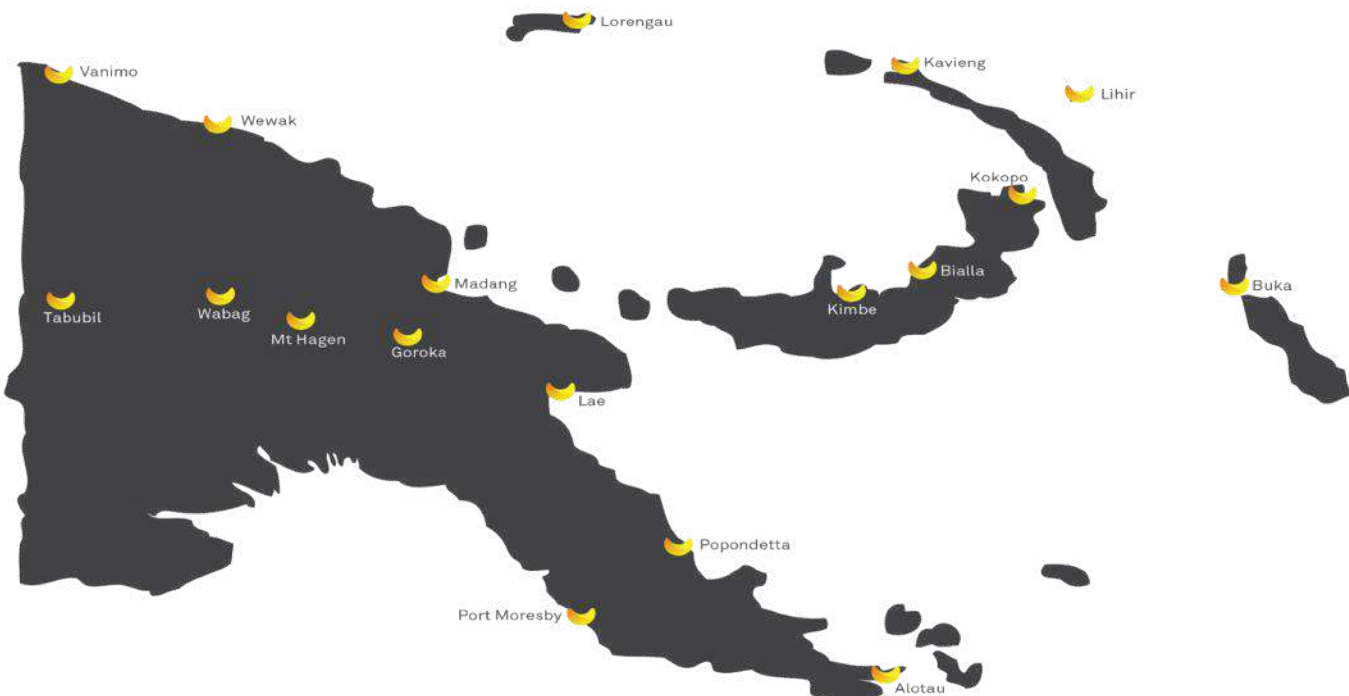
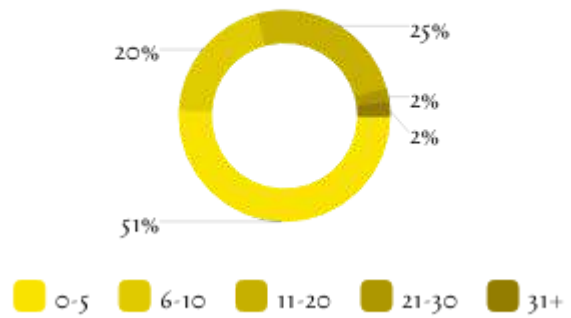
Gender diversity



Diversity of age



Years of tenure





Talent & culture

Launch of new core values

As part of our change and transformation journey, Nasfund undertook a review of its existing values and established **compelling, bold and aspiring corporate values** that will serve as Guiding Principles or a 'Lighthouse' that defines who we are and what we stand for. Every employee at Nasfund has pledged to live and breathe them every day.

These values were launched by Nasfund Board Chairwoman Tamzin Wardley on Saturday February 18, 2023. Speaking at the occasion, Chairwoman Wardley encouraged each Nasfund staff to take ownership of each value, and put them into practice at all times until it becomes our DNA.

1. **Connect:** We are connected with our members.
2. **Trust:** We are open, transparent, and communicative.
3. **Growth:** We strive to maximize returns for our members.
4. **Responsible:** We act within the standards and laws for the benefit of our members.
5. **Inspire:** We empower our people as capable professionals.

Former CEO Ian Tarutia, and current CEO Rajeev Sharma, encouraged all Nasfund staff to build a confident and winning organizational culture through the inauguration of these core values, a unified workforce focused on delivering top value experience and wealth for our members.



Nasfund staff and directors at Apec Haus for the launch of the new core values



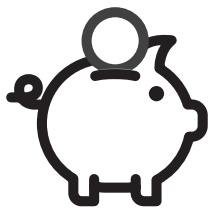
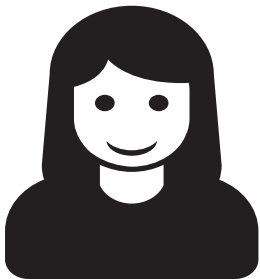
Talent & culture

Super during maternity

On Mother's Day, in true celebration of motherhood, Nasfund introduced a new initiative to benefit its female employees - the payment of superannuation on unpaid maternity. It was a first for the industry, and for the country. Nasfund, as a responsible employer, is committed to promoting gender equality and bridging the gap that exists with the disparities faced by women at the point of retirement.

For example, a female contributor may miss out on superannuation contributions of up to K500 due to unpaid maternity leave. This then affects her final superannuation balance in the long run by as much as K2,895 at the age of 60 (assuming a 5% annual return). This happens due to the impact of cumulative interest. This is why continuing savings during early years of life is important.

This new initiative ensures that all female employees of Nasfund who take unpaid maternity leave will continue to receive their employer contributions during their absence from work, providing them with financial security during a crucial period in their lives and ensuring that they don't miss out on the benefits of superannuation. In line with our corporate values, we operate as a responsible employer and recognize the challenges that working mothers face and the impact it can have on their financial independence and security at retirement. Staying true to our values, we hope to inspire others through what we do today for a better tomorrow.



Graduate Development Program

The Graduate Development Program (GDP) is designed to equip our young graduates to succeed in our increasingly competitive business environment and to ensure that we attain the best leadership pipeline for now and the future within the financial industry.

Graduates work on relevant and real tasks from the start, directly contributing to the business and taking on increased levels of responsibility as they progress. No matter where they join - or in which function they start their career - through the GDP, we aim to ensure that graduates are equipped with the knowledge and skills to meet our extremely challenging and demanding standards of excellence.

In 2022, the Fund welcomed eight (8) GDP participants who will graduate from the program in 2024. The Fund continues its efforts in engaging with our tertiary institutions throughout PNG, to promote the GDP while driving superannuation education and awareness through Career Fair initiatives at various colleges and universities including University of PNG, PNG University of Technology, Institute of Business Studies University, and the Pacific Adventist University, speaking to over 2,500 students.



Graduates of the current GDP program



Industry engagement

The Association of Superannuation Funds of Papua New Guinea

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

Funds under management among the four PNG funds is in excess of K16 billion with over 900,000 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 include:

- BSP Capital
- PricewaterhouseCoopers
- Kina Funds Management



Pacific Islands Investment Forum

The 2023 Pacific Islands Investment Forum (PIIF) co-hosted by Nasfund and Nambawan Super Ltd was held on the 27th – 30th of March 2023. This Forum saw a total of thirty-two delegates representing fifteen superfunds across 9 Pacific Island countries and 6 representatives of multilateral agencies such as the World Bank, Asian Development Bank, and International Finance Corporation attend the week-long event to discuss investment opportunities within the region.

Senior State representatives and distinguished Guests who were also present throughout the Forum included Prime Minister Hon. James Marape, NCD Governor Hon. Powes Parkop, Minister for International Investment & Trade Hon. Richard Maru, Acting Governor of the Bank of Papua New Guinea Ms. Elizabeth Genia, Managing Director of Kumul Consolidated Holdings Dr. David Kavanamur and Scott Sandlin, Vice President – Productions of ExxonMobil PNG Ltd.

The highlights of the Forum for our Pacific guests included site visits to the PNG LNG plant site, the Paradise Foods Limited factory, and the PNG Property Developers Association tour and a boat cruise to Fisherman Island.

PIIF Secretary and CEO for the Cook Islands National Superannuation Fund Ltd, Damien Beddoes thanked Nasfund and Nambawan Super for co-hosting and all sponsors for making the Forum a success.



PIIF attendees with Prime Minister at the APEC Haus



GSE

Corporate Governance, Social, Environmental

While the globally-accepted acronym is ESG, at Nasfund, due to our fiduciary duty to our members, we recognize corporate governance as our primary consideration when investing before social and environmental considerations. At Nasfund, we employ GSE considerations very carefully.

Nasfund continues to support a number of NGOs, not-for-profit institutions, and causes that support good governance, anti-corruption, gender equality and women empowerment, children’s literacy, health and commerce, and the development of youth professionals.

We continue to provide office space to a number of organisations in PNG, including the Papua New Guinea Institute of Directors (PNGID), the Association of Superannuation Funds of PNG (ASFPNG), and Buk Bilong Pikinini, to enable them to carry out their respective roles that benefit our society.

We have also continued to partner with the Papua New Guinea Cancer Foundation (PNGCF) to distribute educational materials throughout our branch network. At Nasfund, we take pride in our role as a corporate citizen of PNG.

Partnership with ChildFund 1-Tok Counselling

Nasfund continued its efforts to increase engagement with 1-Tok counselling to ensure our members and staff had the necessary support and counselling services available. To promote these services and to improve communication, Nasfund supported the 1-Tok counselling through the donation of mobile phones to assist the 1-Tok counsellors improve their service and reach to Papua New Guineans.

As part of our MOU, 1-Tok counselling also provides support and counseling to our members and staff for all 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 continuously working to address through our annual Culture and Wellbeing program for our staff. Nasfund is the first corporate organization to partner with 1-TOK Counselling Helpim to drive visibility and support in their services in PNG.



Nasfund staff in a 1-Tok Counselling session



GSE

Corporate Governance, Social, Environmental

Partnership with 'Trees for Life Program' to Exceed Target

Nasfund observed World Environment Day by celebrating our progressive effort toward our tree-planting initiative that started two years ago. The Fund has made a commitment to plant 3000 trees by the year 2030 under the "Trees for Life" initiative that is driven by the Port Moresby Nature Park. Whilst observing the global event this year, the organization is also proud to announce that it has already made significant progress towards this goal, having planted 1270 trees since 2021.

To commemorate World Environment Day on the 5th of June 2023, our Port Moresby-based team planted 500 mangrove seedlings in partnership with local NGO – Coastline Care project at Gwarumemase village in Central Province. Similar initiatives were undertaken by our branches nationwide that resulted in a total of 670 trees being planted for this year alone. Chief Officer - Talent & Culture, Vincent Lialu at the conclusion of the day's activities said "we believe that by working together with local communities and organizations we can make a positive impact on the environment and create a better future for all by not only preparing our generations to be financially ready for tomorrow but also to be responsible citizens of tomorrow." Our Nasfund team in Lae, Goroka, Madang, and Bialla branches celebrated the event through similar activities.



Nasfund team at Gwarumemase Village planting trees

Continued Support with PNG Cancer Foundation

The National Superannuation Fund (Nasfund) has continued its partnership with PNG Cancer Foundation (PNGCF) in 2023. Nasfund is the official distribution partner for all Cancer Information Education Communication (IEC) awareness material. Under our MOU, Nasfund will cover all logistics for movement of IES materials throughout the country. As part of our awareness program, all cancer awareness material will be supplied and displayed at our 15 branches & 7 service centers in PNG with regular engagements for our staff onsite. These materials will be displayed at our branches' operations and will be accessible to our staff and 680,000 plus members. Since October 2021, this partnership has seen over 15,000 vital cancer awareness materials distributed to our members through our extensive branch network.

Additionally, as part of our annual program that is supported by our partners at the PNG Cancer Foundation, we were privileged to host Ms. Theresa Gizoria, a current breast cancer patient who has been vocal about the severity of cancer and the importance of healthy lifestyle choices. She shared her experiences dealing with the challenges and dilemmas of being a cancer patient in PNG.



Nasfund team observing Pinktober



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Board of directors

The Nasfund Board is responsible for overseeing the proper management of the Fund, ensuring it operates in the best interests of all members and continues to comply with all legal requirements.



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.

Tamzin holds a Bachelor's Degree in Journalism 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 Yauieb

Deputy Chair

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.



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 retired on 16 December 2023.

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

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.



Board of directors

The Nasfund Board is responsible for overseeing the proper management of the Fund, ensuring it operates in the best interests of all members and continues to comply with all legal requirements.



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.

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.



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 retired on 31 December 2023.

Kepas 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.

Kepas 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.

Michael 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.



Board of directors

The Nasfund Board is responsible for overseeing the proper management of the Fund, ensuring it operates in the best interests of all members and continues to comply with all legal requirements.



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.

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 PNG Country Manager for Tetra Tech International Development. 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.



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).

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.



Board of directors

The Nasfund Board is responsible for overseeing the proper management of the Fund, ensuring it operates in the best interests of all members and continues to comply with all legal requirements.



Chey Scovelle

Director

Chey joined the Board, as a representative Director, on March 1, 2023, representing the Manufacturers Council, where he has held the position of CEO since 2007. He serves on the Nasfund Board's Remuneration & Nomination and Investment Committees. His career spans senior positions in business and government in Australia and PNG where he has played instrumental roles in trade, economic reform, employment, infrastructure, sports, standards and conformance and health policy development, as well as shaping and negotiating international trade agreements for the PNG government.

Chey's academic background includes a Bachelor of Asian Studies (Economics and Political Science) from Griffith University, Graduate Diplomas in Export Management and Public Finance, and Level 5 certification in public procurement. He is currently pursuing a Master of Law at Southern Cross University in Australia.



Andrew Kitum

Director

Andrew joined the Board, as an independent Director, on December 16, 2023. He is an experienced professional in IT; accumulating executive technology roles across a range of industries including the big four, oil and gas, shipping, insurance and health, within Australia, PNG and the Pacific. He is also a graduate of the NASFUND trainee directorship program cohort of 2018.

Andrew holds a Master of Business Administration specializing in Digital Business from the Australian Institute of Business, a Bachelor of Science in Mathematics and Computer Science from the PNG University of technology and various global industry certifications. He has extensive experience with Digital Transformation, Project and Change Management, Cyber Security, Cloud Technology and IT Governance and is currently the Head of Digital Transformation with Technology Consulting Firm Green Cloud Consulting in Australia.



Doris Gedare

Company Secretary

Doris was appointed as the Company Secretary on the 1st of November 2020, after serving as Manager Legal since 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). Prior to joining Nasfund, Doris worked at Steamships Trading Company Ltd.

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



Trainee directors

Nasfund is an avid promoter of the Young Trainee Directors Program, providing its successful applicants the opportunity to experience first-hand boardroom dynamics, board protocol, good governance and in general, understand the role of a Board Director.



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.



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.



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).



Corporate governance

Board composition

Nasfund has a Board of 10 directors, comprised of 6 independent directors and 4 representative directors nominated by the following organizations:

- Employers Federation of PNG
- PNG Trade Union Congress
- Manufacturers Council of PNG
- PNG Chamber of Commerce and Industry

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

Once appointed to the Board, each director has a duty to act in the best interests of all Nasfund members regardless of their nominating entity.

Board changes during the year

Director Chey Scovell was appointed on 1 March 2023.

Director Kitum was appointed on 16 December 2023.

Director Charles Vee resigned on 15 December 2023.

Director Kepas Wali resigned on 31 December 2023.

Board performance

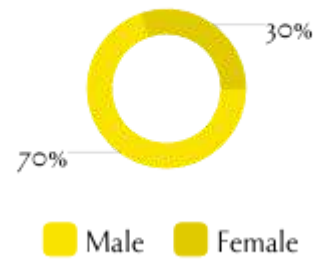
The Board has a process where directors are assessed regularly and their performance reviewed independently and through self-assessment.

A skills matrix is in place and is regularly updated.

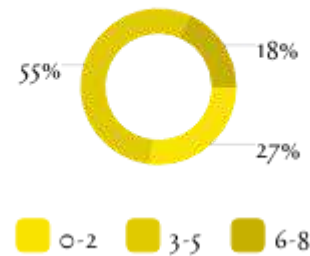
Board diversity

The Nasfund Board is confident that the Fund will make better decisions that prioritize the interests of its members by leveraging a wide range of experience, backgrounds, and perspectives.

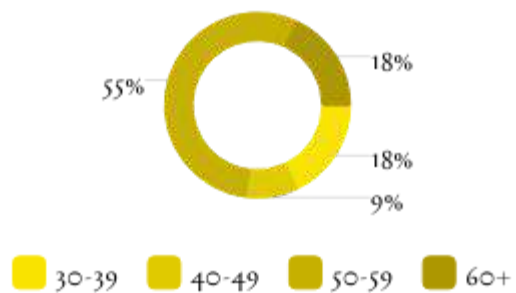
Gender diversity



Years of tenure



Diversity of age





Board committees

As at 31st December 2023, there are 4 standing Board Committees. Each committee has its own charter as established by the Board. The committees review matters for the Board or make decisions on behalf of the Board.

The 4 Board Committees as at 31st December 2023 are outlined below:

Audit & Risk Committee	Investment Committee	Remuneration & Nomination Committee	Membership Committee
<p>The role of the Audit & Risk Committee is to support the Board in carrying out its corporate governance and supervisory duties as well as:</p> <ul style="list-style-type: none"> • overseeing the Fund’s 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 within its domain. 	<p>The role of the Investment Committee is to support the management of the Fund’s investments. The main roles and responsibilities of the Investment Committee include:</p> <ul style="list-style-type: none"> • making appropriate recommendations to the Board on investment proposals from the Licensed Investment Manager (LIM) and the Fund’s internal investment division; • reviewing the Fund’s Investment Framework and Strategic Asset Allocation; • ensuring appropriate systems and controls are in place to effectively monitor and evaluate the Fund’s investment portfolio on an ongoing basis; and • reviewing various policies within its domain. 	<p>The Remuneration & Nomination Committee is responsible for:</p> <ul style="list-style-type: none"> • reviewing and approving the Fund’s 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. 	<p>The Membership Committee is responsible for:</p> <ul style="list-style-type: none"> • 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.



Directors' meetings

The following table sets out the number of directors' meetings (including meetings of committees of directors) held in 2023 and the number of meetings attended by each Director (while they were a Director or committee member). Trainee directors are also included.

	Board	Audit & Risk	Investment	Remuneration & Nomination	Membership	Workshops
Number of meetings held in the year	9	6	7	6	5	3
Directors						
Tamzin Wardley	9 (9)	N/A	N/A	N/A	N/A	3 (3)
Anthony Yauieb	9 (9)	6 (6)	7 (7)	N/A	1 (1)	3 (3)
Charles Vee	8 (9)	5 (5)	N/A	N/A	4 (4)	2 (3)
Leon Buskens	9 (9)	4 (6)	5 (7)	N/A	N/A	1 (3)
Kepas Wali	8 (9)	5 (6)	N/A	4 (6)	N/A	3 (3)
Michael Murphy	8 (9)	1 (1)	7 (7)	N/A	5 (5)	3 (3)
Florence Willie	9 (9)	5 (6)	N/A	1 (1)	5 (5)	3 (3)
Julienne Leka-Maliaki	8 (9)	N/A	7 (7)	6 (6)	N/A	3 (3)
Christopher Elphick	9 (9)	N/A	7 (7)	6 (6)	1 (1)	3 (3)
Chey Scovell	6 (7)	N/A	6 (6)	4 (5)	N/A	1 (3)
Andrew Kitum						
Winifred Kula					5 (5)	
Trainee directors						
Austin Edo	4 (4)	2 (4)	N/A	N/A	N/A	N/A
Ritchilyn Barrios	3 (4)	N/A	N/A	N/A	1 (1)	N/A
Flare Namaliu	4 (4)	N/A	1 (3)	N/A	N/A	N/A

Notes:

- Numbers shown in brackets represent the number of meetings each director was eligible to attend.
- Ms. Winifred Kula is a member of the Membership Committee. She was appointed on the 8th September, 2022.



Effective governance

The Board believes that in order to accomplish our strategic goals, which is ultimately focused on giving our members good retirement outcomes, we must maintain a high standard of corporate governance. The Nasfund Board is responsible for managing the Fund in accordance with its fiduciary and legal duties, and is required to put members' interests first. Ensuring that an efficient corporate governance framework is in place that closely complies with industry best practices is a fundamental part of the Board's purpose.

The Board strives to adopt best practice corporate governance standards that have been recognized within the Papua New Guinean superannuation and financial services industries as well as globally. We've made significant investments in our corporate governance framework, as well as continuing to review and update practices according to industry standards and legal requirements at both national and global level. The governance framework, which promotes and enhances good governance as well as monitoring and reporting on this capability, is a comprehensive set of systems, structures, policies, procedures and controls in the functioning of the Fund's business.

Conflict of interest & disclosure

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

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

Refer to note 22(vi) disclosure of interest register.

Remuneration of executives

Salaries, superannuation contributions, and allowances make up executive remuneration. Nasfund's Reward Framework is founded on several design tenets, such as the notion that executive compensation should be evidence-based, performance-linked, and focused on long-term member benefits.

The Board sets the compensation for the executive management employees in collaboration with the CEO and the Remuneration & Nomination Committee. After reviewing the CEO's compensation, the Remuneration & Nomination Committee recommends to the Board that the CEO's compensation be approved.

Executive remuneration is benchmarked against independent external sources.

Remuneration of directors

The Board believes that it is crucial to good governance to make sure that individuals with the necessary qualifications and skills are drawn to and kept on the Board, and that they are fairly compensated for their time, effort, and assumed legal liability.

Sitting fees and quarterly allowances make up the director's compensation. Directors only receive fees in exchange for their services overseeing the Fund. The director's compensation has no performance-based component.

Director remuneration is benchmarked against independent external sources.



Trustee remuneration

The following table details the remuneration paid and payable to directors of Nasfund in the 2023 financial year.

	Director fee (net)	Committee fee (net)	Workshop sitting fee (net)	Total
Directors:				
Tamzin Wardley	143,520	8,000	3,000	154,520
Anthony Yaueib	126,960	22,000	3,000	151,960
Charles Vee	110,400	16,000	2,000	128,400
Leon Buskens	110,400	17,000	1,000	128,400
Kepas Wali	110,400	16,000	3,000	129,400
Michael Murphy	121,440	20,000	3,000	144,440
Florence Willie	121,440	19,000	3,000	143,440
Julienne Leka-Maliaki	121,440	20,000	3,000	144,440
Christopher Elphick	110,400	22,000	3,000	135,400
Shay Scovell	110,400	15,000	1,000	126,400
Andrew Kitum				
Winifred Kula	26,000	5,000	N/A	31,000
Trainee directors:				
Austin Edo	-	3,000	N/A	3,000
Ritchilyn Barrios	-	2,000	N/A	2,000
Flare Namaliu	-	2,500	N/A	2,500

Note:

- Ms. Winifred Kula is a member of the Membership Committee. She was appointed on the 8th September, 2022.



Risk management

Risk management framework

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

The RMF is the totality of systems, structures, policies, processes, and people within the Trustee'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 its business operations or the interests of beneficiaries (material risks). The RMF was reviewed during the reporting period.

The RMF serves as a management tool to enable the Trustee to develop and implement different strategies, policies, and controls to appropriately manage different types of material risks. By giving effect to the RMF, the Trustee ensures that each material risk to the Trustee's business operations is being prudently managed, having regard to the size, business mix and complexity of its operations. The RMF determines Nasfund's risk appetite and risk tolerance which is expressed in the Risk Appetite Statement.

While business units are responsible for their own risk management, the risk management function has 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 the 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

The Internal Audit functions has direct access to 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

This year, NASFUND has changed auditors, the Board has appointed KPMG as the external auditor for 2023 based on best practice and governance protocols. KPMG, 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 their audit opinion. The external audit performance and appointment is reviewed on an annual basis.

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 KPMG team also meets with the Committee or Board without the presence of management.



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Message from the fund administrator



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2023 Year in Review

Kina Investment and Superannuation Services Limited (KISS) is pleased to present its annual fund administration statement for the period ending December 31, 2023, for National Superannuation Fund Limited (NASFUND).

In a dynamic year, KISS delivered exceptional results for NASFUND members, prioritizing service excellence and digital innovation.

Building a Stronger NASFUND:

- **Processing power:** Our commitment to operational efficiency translated into processing 146,982 work items with an impressive 95% overall service level performance. This included swift handling of diverse benefit requests, contribution receipts, member bio data management, and employer data updates.
- **Growth for the Future:** Member base expanded by 2%, reaching 688,169, reflecting trust in NASFUND's financial stability.
- **Financial Security Guaranteed:** Increased contributions of K713 million and consistent benefit payments of K533million solidified NASFUND's reliability.
- **Sound Management:** 7% increase in funds under administration, reaching 6.48 billion.

Leading the Digital Shift:

- **Convenience at Your Fingertips:** Membership on the online portal surged by 7%, with 3,422 additional employers and 84,809 members enjoying its flexibility and efficiency.
- **First-of-its-Kind Innovation:** Partnering with Kina Bank, Nasfund members can now link their super balances into Kina bank's online banking platform, empowering members with a holistic view of their finances in a single view.

KISS is dedicated to building an even brighter future for NASFUND members. We will continue to exceed expectations, leverage technology, and enhance the NASFUND experience for all.

Membership

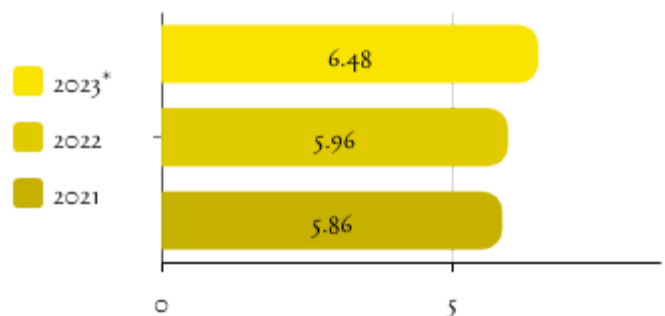
As of December 31, 2023, the total membership reached 688,169, reflecting a growth rate of 5.2%. The number of mainstream members increased by 5.37% to reach 649,313. Eda Supa membership saw a slight growth of 0.04% to reach 38,689. However, RSA membership experienced a decline after 10 members exited, which was two more than the previous year.

Fund	No. of members 2021	No. of members 2022	No. of members 2023
Mainstream	587,451	616,224	649,313
Eda Supa	35,302	37,353	38,689
Retirement savings account (RSA)	185	177	167
Total	622,938	653,754	688,169

Funds under administration

The total funds under administration reached K6.48 billion, reflecting a notable increase of 8.73% by the end of the year on 31 December 2023.

Funds Under Administration
K billion



*The reported balance figure does not include the annual interest for 2023.



Message from the fund administrator

Contributions

As of December 31, 2023, total contribution receipts reached K713 million, marking a noteworthy 9% increase from 2022 and a substantial 21% growth compared to 2021. This sustained year-on-year growth trajectory is highly commendable.

December 2023 saw an impressive 11% increase in voluntary contributions from members, while employer contributions surged by 93% year-over-year. Notably, 99% of employer voluntary contributions originated from the mainstream stream, with K32.6 million received from established sources and K14.6 million from additional voluntary commitments.

Contributions (K)	2022	2023
Member contributions	238,975,389.68	266,175,396.68
Employer contributions	337,041,683.59	376,280,646.07
Member voluntary	29,487,774.22	32,647,807.20
Employer voluntary	12,866,883.17	14,672,037.61
Member salary sacrifice	1,561,006.43	1,783,897.68
Housing advance repayment	17,003,898.54	18,051,983.89
Transfers from other ASF	4,884,424.51	4,395,503.09
Unallocated contributions	12,152,753.67	-1,003,591.48***
Total	653,973,813.81	713,003,680.74

*** A negative total indicates a positive outcome, where the amount allocated to the members' accounts exceeds the total amount received for the year. This demonstrates a robust collection process, ensuring compliance from employers in allocating historical transactions.

Benefit payments

As of December 31, 2022, total disbursement of entitlement benefits reached K533 million, which is 2% lower compared to K547 million in 2022. This is based on 79,156 transactions within the mainstream category, 1,144 from the EDA Supa, and 513 from the Retired Savings Account.

Description	2022	2023
Normal Retirement	376,296,075.92	372,080,551.60
Medical Retirement	8,185,064.28	7,257,356.72
Death	35,883,608.38	29,937,414.84
Transfer Out (to other ASF)	6,537,144.92	8,644,338.10
Unemployment Benefits	64,743,075.56	59,716,797.61
RSA Payments	1,320,981.38	729,585.39
Housing Advance Payments	36,717,413.88	38,603,316.65
Tax on Full Benefit Payment	15,174,240.73	14,544,672.91
Tax on Partial Benefit Payment	2,433,425.89	2,325,589.45
Total	547,291,030.94	533,839,623.27

Looking ahead

Building on our success in 2023, Kina Investment and Superannuation Services Ltd (KISS) is committed to elevating the NASFUND experience to new heights in 2024 with the focus on continued uplifting of services and being an enabler to NASFUND's digital aspirations. By focusing on these two key areas, KISS is confident in building a more secure, efficient, and user-friendly NASFUND for all members. We look forward to partnering with you in 2024 to create a brighter financial future for all members.

Deepak Gupta
 Executive General Manager – Wealth Management & Corporate Advisory
 Kina Investment and Superannuation Services Ltd
 'A wholly owned subsidiary of Kina Securities Limited'



Being there for members

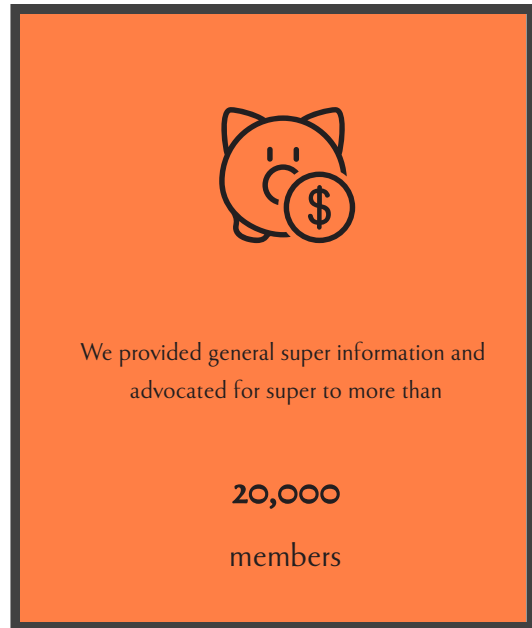
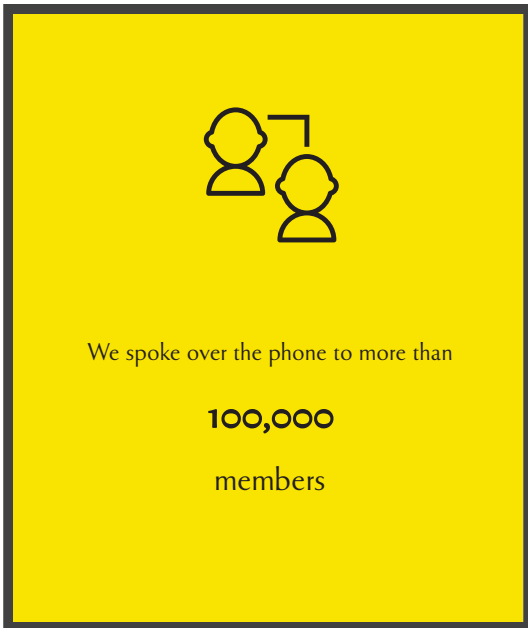
Helping members with information

We can assist you with any questions you may have regarding your super balance, the investments in the fund, or how much you will require at retirement based on your current spending habits.

With an end-of-year abandonment rate of less than 10%, we handled more than 330,000 calls from members in 2023 seeking information about their super accounts and answers to their queries.

Providing superannuation awareness

We sincerely believe that if members have a clear understanding of the importance of superannuation, they will be more inclined to save more for their retirement. In 2023, close to 26,000 members were interviewed at employer conferences, external conferences through our trade booths, and at regular shop floor presentations, where information and education was provided at members' workplaces and in wider communities.



Call centre supervisor on duty



Employer services officers attending to conference participants

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Being there for members

Regional employer conferences

In March 2023, the Fund hosted its annual regional employer conferences in Port Moresby and Lae. The now former CEO, Ian Tarutia, who was with the Fund for the last 35 years, also used the conferences as an opportunity to say farewell to our members and employer representatives.

The Port Moresby Employer Conference was attended by more than 400 employer representatives and 2000 plus members who joined online via Zoom, Facebook, and LinkedIn.

Presentations covering the Fund's 2023 financial performance, investment results, member services, and recent developments within the Information Technology & Innovation space were provided, to keep our members informed.

Similar presentations were also delivered to our employer representatives and members who joined us at the Lae Employer Conference.

Australia - PNG Business Expo 2023

The 38th Australia - PNG Business Forum and Trade Expo was held at the Hilton Hotel in Port Moresby from the 15th to the 17th of May 2023. The three-day event was organized by the Business Council of Papua New Guinea and the Australia - Papua New Guinea Business Council and hosted at the Hilton Hotel in Port Moresby.

A total of 60 visitors stopped by the Nasfund booth for general inquiries and assistance on the services and products provided by Nasfund, 60% of whom were females and 40% males. A total of 20 members registered during three days for the Online Portal and Nasfund App, 30 Members submitted member update forms for processing, 2 New business prospects were identified, 6 Eda Supa prospects were assisted, and 20 stalls were visited with shop-floor forms given out to follow up on. Many visitors were interested in the Housing Advance processes and enquired about the Voluntary Contributions product. They also wanted to know the processes of ID cards, the turnaround time for applications, and the requirements for deceased claims.



Chairwoman giving her opening remarks at the POM Employer Conference



Client Relations Officer attending to member queries at the Nasfund booth

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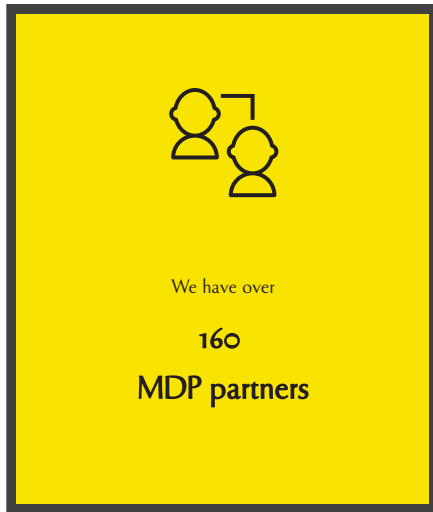


Partnering with employers

Membership discount program

The Nasfund Membership Discount Program (MDP) allows members to obtain a discount on goods and services in selected stores and service providers through out Papua New Guinea. The program means significant savings off normal retail prices and helps members to stretch their kina even further.

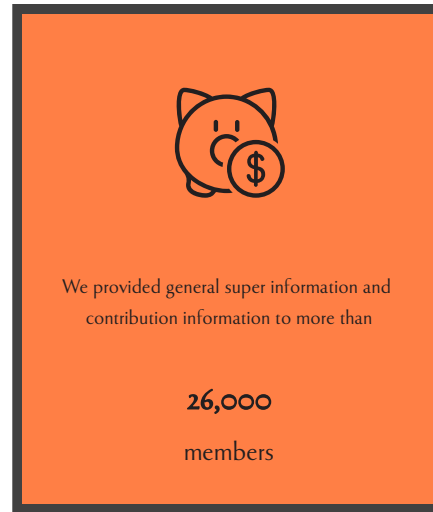
The MDP is made possible through partnerships with goods and services providers who are part of our employer base. In 2023, a total of 9 MDP partnerships were signed of which four were renewals and five were new. The new added partners are: Etnambo Builders (PNG) Ltd, Furama Enterprise Ltd, Pacific Foam Ltd, NGF Ltd, and Hannah’s Beauty Box. Refer list on page 110.



Shop-floor presentations

In 2023, we managed to conduct 517 shop-floor presentations, surpassing our end-of-year target by 72%. The total number of attendees was an impressive 26,163.

In addition to the shop-floor presentations, we also actively engaged with our employers through various initiatives to foster better collaboration and compliance. Our branches successfully conducted a total of 2,165 engagements - with these activities instrumental in building strong relationships with employers and ensuring adherence to compliance guidelines. These employer engagement activities include payroll meetings, employer online (EOL) training, defaulting and annual compliance workshops.



Ladies posing after signing of MDP partnership with Hannah’s Beauty Box



Employer service officer with a couple of shop-floor attendees

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Partnering with employers

5th Annual Employer Awards

This event acknowledges employers who faithfully adhered to Nasfund’s superannuation procedures. 12 distinguished companies were awarded across 5 categories, and an additional 22 runners-up for both first and second place, all recognized during the 5th Annual Employer Awards event hosted by Nasfund on August 18th, 2023.

The Executive Director of the Employer Federation of Papua New Guinea, Florence Willie, stated that, “the *Annual Employer Awards* holds significance in Nasfund’s journey since 2018.

It is aimed at fostering stronger collaboration between contributing employers and the Fund, all in the pursuit of fulfilling a single obligation, and this is to ensure members’ well-being during retirement. The achievement of this event was the result of unwavering determination and accurate assessment of employers that demonstrated compliance with the Superannuation Act.”

Shamiso Charamba, representing the Fund’s previous external auditor Deloitte, also provided an official statement affirming that, “(Deloitte) has thoroughly assessed and confirmed that all winners have fully satisfied the prerequisites for their respective categories.”

Award	Category A - employers contributing more than K100,000 per month	Category B - Employers contributing between K50,000 and K100,000 per month	Category C - Employers who contribute less than K50,000 per month	
1	Most compliant employer in mandatory contributions	K92 Mining Ltd	Kainantu Resources Ltd	Electrical Services & Supplies Ltd
2	Best employer with employer voluntary contributions	Ramu Agri Industries Ltd	Marie Stopes PNG	Cardno (PNG) Ltd
3	Best employer with member voluntary contributions	PNG Union Mission of the Seventh-Day Adventist Church	Marie Stopes PNG	Trends PNG Ltd
4	Most compliant in account maintenance	Exxon Mobil PNG Ltd	Fubilan Catering Service Ltd	Werec Insurance Brokers Ltd
5	Best non-mandatory contribution employer	Sed Optical Eye Care		
6	Nasfund Chairwoman’s award	Ramu Agri Industries Ltd	Marie Stopes PNG	Trends PNG Ltd



CEO Rajeev Sharma with several of the winners



Partnering with employers

Top 100 CEOs Investment Conference

The Inaugural 'Top 100 CEOs Investment Conference' hosted by Nasfund and held at the Crown Hotel on the 5th of July, 2023, received a lot of positive feedback from participants and members who attended.

Chief Investment Officer, Fiona Nelson, whose team spearheaded the conference was pleased to see the conference come to fruition after being in the pipeline for the last two years. *"The conference represents Nasfund's ongoing commitment to fostering collaboration, driving economic growth, and unlocking investment opportunities in Papua New Guinea,"* she said.

The event provided a platform for our investee companies such as BSP Financial Group and Kina Securities Limited including stakeholders and offshore speakers from the Australian Institute of Superannuation Trustees (AIST), Bloomberg, and Pandal Group based in Australia. It also featured key speakers from Papua New Guinea such as Leon Buskens of Santos, Peter Aitsi from the Property Developers Association, and Des Yaninen from Pacifund Financial Services, to name a few. Other speakers Sir Chris Hnanguie from CJ Valuers, Dr Flora Kwapena from Property PNG, and Betty Duba from the Internal Revenue Commission were the panelists for the discussion session.

Due to the success of the event, the Investment Conference will now become an annual event to be hosted at the beginning of July each year.



A guest speaker presenting at the Investment Conference

Year-end workshop for employers

A one-day workshop aimed at reinforcing relationships with contributing employers and addressing pivotal concerns was conducted by the Member and Employer Services division on the 2nd of December 2023.

The workshop was designed to tackle pressing issues faced by employers, including challenges with incorrect member biodata, high unallocated contributions, and underutilization of the Employer Online Portal.

More than 150 attendees representing 96 targeted employers were reminded of the importance of complying with the Superannuation General Provisions Act (2000). Chief Officer - Member Services, Anne Wilson, acknowledged employers who have been compliant and committed to the Fund by providing timely submission of schedules, proper documentation in onboarding new employees, and updating details of their staff using the Member Details Update Forms (MDUF) and encouraged all employers to continue to work closely with the Fund to provide all necessary documentation required to enhance member information.

She highlighted that the Fund's success in maintaining compliance with the Act relies on the collective efforts of its esteemed employers. Ms. Wilson also urged all employers to utilize the Employer Online Portal for their convenience.

An employer representative of FHL360 - Family Health International PNG, Norah Gramagi expressed gratitude to the Fund for hosting the informative workshop stating that, *"The event was well-organized, and the presentations were insightful and engaging. I learned a lot about the organization's (Nasfund) vision, mission, and the topics concerning our contribution and I feel that your presentation covered most of the questions that I had in mind."*



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Message from the licensed investment manager

Dear Nasfund members,

2023 Overview

Despite challenges such as geopolitical instability, increased inflation, tightening credit conditions, and a rapid surge in interest rates, global economies and labour markets displayed resilience. The drop in energy prices played a role in lowering headline inflation in many countries, providing relief for households and businesses. Nonetheless, the continued elevation of core consumer prices kept central banks under pressure to maintain higher interest rates for an extended period. The main market drivers of 2023 were inflation and interest rates although the year also experienced several major shocks. The first quarter saw a regional banking crisis which rattled markets as several U.S. banks collapsed. The war in the Middle East further darkened the global geopolitical outlook as the Israel and Palestine conflict erupted in the third quarter. China's slow economic recovery from COVID-19 sent ripples around the globe as the world's second largest economy was expected to drive a third of the global economic growth in 2023.

Domestically, inflation remained heated throughout the year, while commodity prices came under pressure this year resulting from decreasing global demand and higher supply. As the year came to a close, the Porgera Mine announced its reopening and resumed operations on December 22nd with first production expected in the first quarter of 2024.

Investment portfolio performance

Over 2023, Nasfund's net funds under management grew K848.6 million to K7.3 billion (a 13% 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, SP Brewery and BSPFG due to increases in their equity valuations; a net increase in the Fund's GIS investments (K281.5 million); an increase in the International Shares asset class with the purchase of iShares Core S&P 500 ETF (IVV) shares investment (K163.18 million);



the general upside in the international equity markets; and a net decrease in T-Bill holdings (-K148.8 million) as the Fund substituted lower returning T-Bill assets for aggregated higher income in the weekly Central Bank Bill trades (K220 million).

Before expenses, Nasfund generated a gross cash income of K755.1 million on its investments in 2023, generating a gross annualised cash yield of 7.7%. 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 (K421.6 million) while the Liquid asset class generated K18.6 million in cash income. As a result of CPL, and CIG dividends, and net non-yielding properties performance, the Non-Yielding Illiquid assets generated a positive cash flow (K2.4 million).

Nasfund's 2023 portfolio cash yield contributions were dependent on the performance of four investments: Government Bonds which generated K267.8 million in cash yield; T-Bills which generated K14.2 million in cash yield; BSP shares which generated K80 million in cash yield, and Vanguard International Shares Index ETF which generated K43.7 million in cash. Over 2023 these investments contributed 81.9% of the cash income generated by the portfolio.

After expenses, Nasfund generated a K685.06 million return on its investments in 2023, recording a 10.6% annualised return before taxes. This return is well above the Fund's target return of 7% per annum. Yielding Illiquid assets generated the vast bulk of positive returns (K531.61 million) offsetting expenses and miscellaneous items (-K70.1 million).



Message from the licensed investment manager

More uncertain times ahead

December 2023, marks three years since the global economy experienced one of the largest shocks in history caused by COVID-19, and to date some areas are still adjusting amidst uneven growth across regions.

After an initial upswing in 2023, the momentum of the economic recovery has decelerated. This slowdown can be attributed to various factors, including the enduring repercussions of the pandemic. Certain entities experienced substantial impairment, facing prolonged challenges. Additionally, the ongoing conflict between Ukraine and Russia has contributed to the moderation, as well as the recent intensification of hostilities in the Middle East. These geopolitical developments have injected increased uncertainty into supply chain operations and have become a significant factor affecting commodity markets. Despite observations of resilience in early 2023, and progress in reducing headline inflation, economic activity is broadly short of pre-pandemic projections especially in emerging and developing markets.

The World Economic Outlook - International Monetary Fund (WEO) has projected global growth to slow down to 3 per cent in 2023, and 2.9 percent in 2024, a 0.1 percentage point downgrade for 2024 from its July projections. Headline inflation continues to decelerate, from 9.2 percent in 2022, on a year-over-year basis, to 5.9 percent in 2023 and 4.8 percent in 2024. Core inflation, excluding food and energy prices, is also projected to decline, more gradually than headline inflation, to 4.5 percent in 2024. As a result, projections are increasingly consistent with a “soft landing” scenario, bringing inflation down without a major downturn in activity, especially in the United States, where the forecast increase in unemployment is very modest, from 3.6 to 3.9 percent by 2025.



Domestically, the economy holds substantial potential for growth, primarily tied to the reopening of the Porgera Gold Mine and the anticipated final investment decision for Papua LNG set to be disclosed in early 2024. The initiation of these resource projects is poised to catalyze economic activity, enhance tax revenue, and contribute to mitigating foreign exchange shortages. Nasfund’s strategic positioning in the PNG markets makes it ready to capitalize on any new investments opportunities while also consolidating its existing investments.

As the licensed investment adviser for Nasfund, our commitment to identifying opportunities and effectively managing risks within the investment portfolio remains unwavering. Despite the heightened uncertainty in the current year, the Fund’s investment strategy consistently produces sustainable and satisfactory outcomes for its contributors.

In conclusion, I extend our gratitude, on behalf of BSP Capital’s Board and staff, to the Nasfund board, management, and staff for the privilege of collaborating to enhance your investment outcomes.

Sincerely,

Richard P La'a
Acting General Manager, BSP Capital Limited



Message from the licensed investment manager



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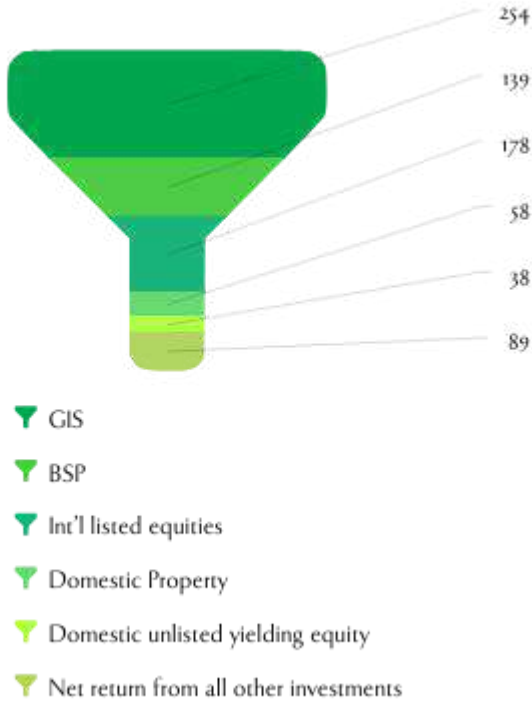
Working in members' best interests

Investment for members' futures

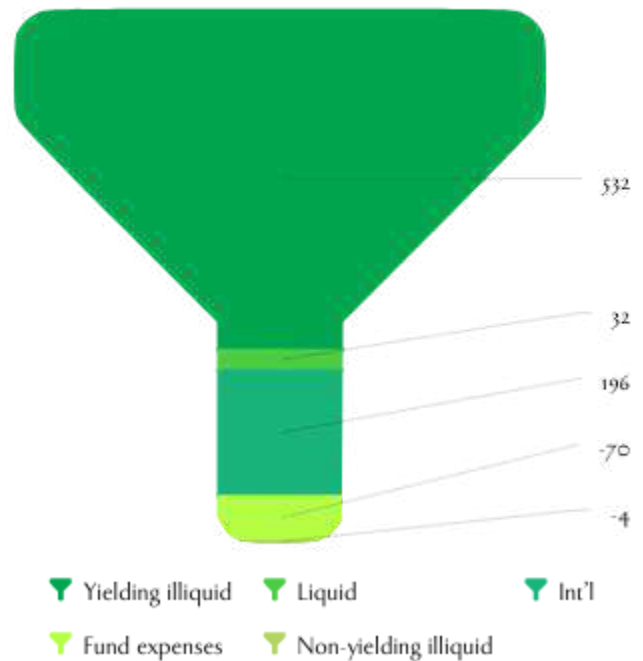
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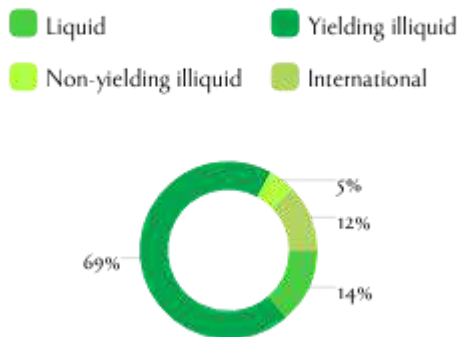
Major Contributors & Detractors in 2023
(in K millions)



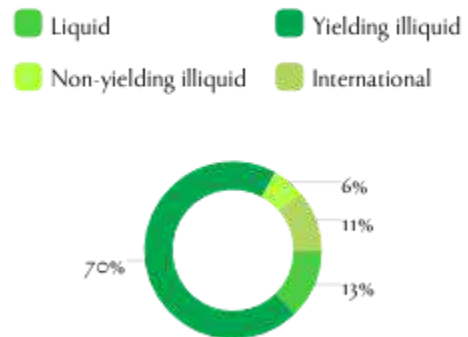
Sources of returns in 2023
(in K millions)



Strategic Asset Allocation
31-Dec-2023



Strategic Asset Allocation
31-Dec-2022





Message from the property & facilities manager

Dear Nasfund members,

2023 has seen the PNG economy improve which has brought confidence in the property market, this has had a positive impact on the Nasfund Property portfolio. Expats are returning strongly; this has impacted positively in the residential apartment market. Businesses look to increase their space requirements, with most leases being renewed on improved terms.

PNG's economic indicators for most of 2023 have shown ongoing improvement. Businesses continue to be cautious, but we see ongoing positive results for 2024. The economy is forecast to grow by 2.6% in 2024. The inflation forecast is retained at 5% for 2024. While economic challenges remain, sectors such as international travel-related services, communication, and real estate are showing resilience.

PNG's economy potentially could see significant upside associated to Porgera Gold Mine's reopening and the announcement of a final investment decision for Papua LNG that is expected in early 2024. Should these resource projects kick off there is high potential that they could stimulate economic activity, boost tax revenue, and help alleviate foreign exchange shortages.

Government spending initiatives and improved liquified natural gas production contribute to the positive outlook. The impact of climate change is a continued focus heading into 2024 by the government. PNG is uniquely placed to improve its position across energy (particularly gas), climate change and geostrategic competition. Resources projects are expected to be accelerated to capture the transitional energy window whilst balancing climate change, decarbonisation and renewables.



As we close out 2023, we would have to agree that the green shoots are developing 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 secure tenants to the portfolio to secure cashflow. We continue to assess each inquiry on a case-by-case basis.

The unreliable power supply continues to impact the portfolio due to constant power outages. The start/stop has an impact on the equipment causing the need to purchase supplies of PC Boards as replacements are needed regularly. This is set to be a problem into 2024, the inconvenience to the occupier is not ideal however is being well managed.

Improving the overall performance of the portfolio is Ashton Brunswick's ongoing focus and that coupled with a strategic approach on asset positioning will see 2024 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 issues. We are continuously developing new ways to improve our delivery and creating efficiencies wherever possible. Whether it be through reporting and data distribution, leasing and marketing strategies, capex/project management tracking or our tenant engagement and communications strategy.



Message from the property & facilities manager

We partner with the Nasfund Team Executive and Property teams to cocreate 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 have 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 mentored by our Head of Advisory, Portfolio Accountant 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. We are seeing most tenants in the portfolio expanding their space on expiry and lease deals are being undertaken on competitive terms.

The Core Property Portfolio produced an extra K 24m in cash over budget for 2023, a result of active leasing, renewals and expenditure management.

Leasing to secure income for Nasfund

We are pleased to advise that during 2023 we have been successful in closing out new leases and lease renewals for 53 apartments, 6,650m2 office space and K21 million annualised in revenue for Nasfund and its members.



ASHTON
BRUNSWICK

Facilities Management - maintaining assets for occupier satisfaction

2023 was a year focused on engagement with our tenants to ensure their comfort within the portfolio. We are focused on maintaining building operations and keeping our workplaces and residences safe and compliant.

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

Contracts were awarded for Cleaning, Security, HVAC to ensure value for money, quality of maintenance and maintaining tenant enjoyment.

The ongoing power instability/fluctuations with the supply has impacted our PC Boards, Compressors, Controls causing system failures 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 Portfolio.

Yours sincerely,

Sara Pratt
Head of Advisory
Ashton Brunswick

Richard Sapias
Managing Director
Ashton Brunswick



Our investments

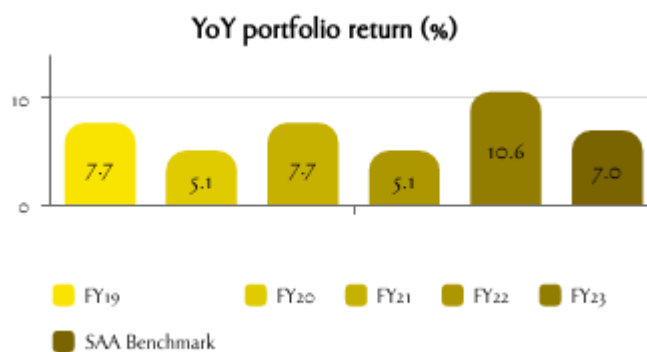
Nasfund is a balanced fund guided by the BPNG Superannuation Prudential Standards and invests in the future of more than 680,000 Papua New Guineans, working to achieve strong long-term returns to help members retire with more.

Year-on-year economic reflection

As we reflect on 2023, it was a landmark year in global economics marked by recovery and transformation amidst challenges. The global economy was still rebalancing itself, navigating through the remaining aftermath of the pandemic coupled with post-COVID inflation alongside the persisting threat of geopolitical instability and conflict which posed risks to global growth. The cascading events of 2023 began with the Russia-Ukraine War triggering a global shortage of wheat leading to substantial disruptions in supply chains to rising commodity prices, combined with the Israel-Hamas war which the world witnessed start on October 7th, 2023, prompting political ramifications that have stimulated regional instability as well as shifting the patterns of trade and cross border investment. Reserve Banks moved to combat rising inflation by increasing interest rates.

These global events evidently had implications on PNG's economy which trickled down to the investment portfolio. The new regime of higher rates and greater market volatility have resulted in uncertainty and dispersion of returns. However, amid economic headwinds and geopolitical uncertainty, the fund's investments have weathered through to gain favorable returns in 2023. Displaying flexibility and resilience within the portfolio due to its asset allocation. The year brought "golden ticket" investment opportunities in domestic unlisted from a plethora of sectors extending from manufacturing, industrial, retail, healthcare, and energy signifying market sentiments largely based towards an optimistic outlook on upcoming resource projects although the global markets remained uncertain and volatile. In 2023, the overall portfolio performed above the benchmark return of 7% at a staggering 10.6%, demonstrating its robust composition and positioning as well as its strategic pricing of risk in the portfolio which had to be carefully maneuvered and curated throughout the year.

Figure 1: Year-on-Year (YoY) portfolio return (%)



Investment portfolio

Despite the gloomy global economy, the Fund's investment portfolio (Net Asset Value) has significantly grown by 13.39% year to date December 2023 (unaudited financials) compared to 2022 (6.05%). This significant increase was attributed to the following new investments that took place during the year:

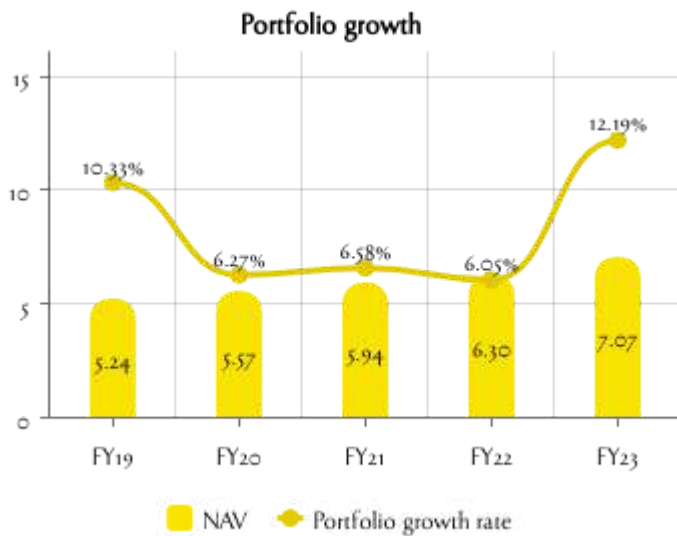
- i. Purchase of a new commercial property in Lae (Zenara Property Section 9 Lot 11&13), Morobe Province in May 2023.
- ii. Purchase of a new domestic listed equity (Kina Securities Limited (KSL) in June 2023.
- iii. Divestment of an existing international equity (Vanguard International Shares Index Fund) by circa 8.49% to 5% to comply with the Central Bank's Superannuation Prudential Standards 1/2014 for international exposure. The divestment of 8.49% has led the Fund to purchase another new international ETF (iShares Core S&P 500 ETF (IVV) in October 2023.
- iv. Purchase of a new financial product (7 days Central Bank Bills) offered by the Central Bank in October 2023.
- v. Purchase of a new domestic unlisted equity (Pacific International Hospital) in December 2023.
- vi. Divestment of non-core legacy assets throughout the year with improvements in PNG Air, Mainland Holdings and the divestment of non-core properties.

Over a five-year period, the Fund's NAV has grown from 8.7% in 2019 to 13.4% in 2023 as illustrated in figure 2.



Our investments

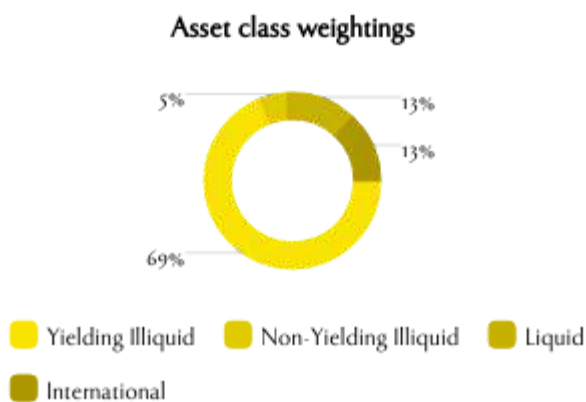
Figure 2: Year-on-Year (YoY) investment portfolio growth



Strategic Asset Allocation

The Fund’s investment portfolio consists of four (4) main asset classes based on liquidity thresholds which are distributed between growth assets and defensive assets. Defensive assets typically have a lower rate of return and generally less risky. This includes cash and fixed interest investments. Growth assets have the potential to deliver higher returns over the long term but are also generally more volatile than defensive assets.

Figure 3: Current portfolio asset exposure



The Fund’s investment returns has shown steady growth in both liquid assets and yielding illiquid assets, whilst the non-yielding illiquid assets were divested to improve overall portfolio performance from 2022 to 2023. Portfolio detractors are mostly attributed to the non-performance of the non-yielding assets in the Fund’s investment portfolio. The positive return trend for non-yielding illiquid assets from mid-2020 to 2023 was a result of the Fund taking a proactive approach to divest the non-core assets held by the Fund. The yielding illiquid assets have shown a steady return from 2019 to 2023 with active pipeline opportunities.

The international asset class saw a more volatile trend mainly attributed to foreign exchange losses coupled with valuation losses especially between 2021 and 2022. The instantaneous increase in the 2023 returns trend is mainly attributed to the iShares Core S&P 500 ETF (IVV) acquisition, improved Vanguard International Shares Index Fund (VANISH) and the divestment of non-yielding illiquid assets. Nasfund finds itself in a fertile liquid posture, ready for increased investment opportunities in 2024.

Total cash income increased by 1.69% to PKG502.0m mainly accredited to improvements in tenancies across the Fund’s wholly owned Properties which rose by 12.59% compared to previous corresponding period (pcp). Cash income is comprised of interest income, dividend income and property income all of which have outperformed budget targets.

The top performers in the Investment Portfolio are Government Inscribed Stocks, BSP Financial Group Limited, Vanguard International Shares Index Fund and iShares Core S&P 500 ETF. The Fund is actively looking to realign its Investment Portfolio to achieve its target benchmarks across all its Asset Class guided by the Investment Framework with increased opportunities in the international asset class and property development space.



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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.

Country of Incorporation	Papua New Guinea
Principal place of business	Level 4, BSP Haus, Harbour City, Port Moresby, NCD, Papua New Guinea
Trustee	National Superannuation Fund Limited
Directors of the Trustee Company	Ms. Tamzin Wardley, LM, MBE - Chairwoman Mr. Anthony Yauieb Mr. Charles Vee (resigned 15 December 2023) Mr. Kepas Wali (resigned 31 December 2023) Mr. Leon Buskens Ms. Florence Willie Mr. Michael Murphy Ms. Julienne Leka-Maliaki Mr. Christopher Elphick Mr. Chey Scovell (appointed 1 March 2023) Mr. Andrew Kitum (appointed 16 December 2023)
Secretary	Ms. Doris Gedare
Auditors	KPMG Nambawan Plaza, Level B2, OPH Precinct, McGregor Street, Port Moresby, NCD, Papua New Guinea
Fund Administrator	Kina Investments and Superannuation Services Limited
Licensed Investment Manager	BSP Capital Limited
Bankers	BSP Financial Group Limited Australia & New Zealand Banking Group (PNG) Limited Kina Bank Limited
Lawyers	Ashurst Lawyers Dentons (PNG) Lawyers Posman Kua Aisi (PKA) Lawyers Geroro Lawyers Bradley Wak & Co. Lawyers Simpson Lawyers Namani & Associates Lawyers Corrs Chambers Westgarth
Professional Indemnity Insurance	QBE Insurance
Property and Facilities Manager	Ashton Brunswick

Who we are

Governing the Fund

Working in members' best interests

Investment for members' futures

Financial statements

Additional information



Report of the Trustee of the Fund

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" or "Nasfund") for the year ended 31 December 2023.

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 K596.618 million (2022: net profit after tax of K256.275 million)

Directors

The directors of the Trustee at the date of the report of the Fund are listed on page 50. No director of the Trustee had any material interest in any contract or arrangement with the Fund or any related entity during the year ended 31 December 2023.

Remuneration of Trustee Directors

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

Director's name	31 Dec 2023	31 Dec 2022
	K	K
Tamzin Wardley, LM, MBE – Chairwoman	266,414	218,276
Anthony Yauieb	262,000	219,655
Charles Vee (resigned 15 December 2023)	221,379	211,034
Leon Buskens	221,379	196,552
Kepas Wali (Resigned 31 December 2023)	223,103	198,276
Florence Willie	247,310	212,069
Michael Murphy	249,034	210,345
George Panao	-	100,000
Julienne Leka-Maliaki	249,034	206,897
Christopher Elphick	233,448	58,851
Chey Scovell (appointed 1 March 2023)	217,931	-
Andrew Kitum (appointed 16 December 2023)	-	-
	2,391,032	1,831,955

Remuneration of employees

The number of employees (not including directors) whose remuneration exceeds K100,000 in bands of K50,000 in 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: 12 Mar 2024

Mr. Anthony Yauieb
Chair of the Audit & Risk Committee
Date: 12 Mar 2024



Trustees' Declaration

In our opinion, the financial statements and the accompanying notes set out on pages 60 to 99 are drawn up so as to give a true and fair view of the financial position as at 31 December 2023 and the financial performance for the year 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.

The auditor has communicated with us that relevant ethical requirements prohibiting members of the audit team or their immediate family members holding direct financial interests in the Fund were not met under Section 510 of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants that are relevant to their audit of the Financial Report in Papua New Guinea, for the year ended 31 December 2023. We agreed that safeguards proposed and implemented by the auditor are sufficient to enable them to perform the audit management and to issue their report to the members for the year ended 31 December 2023.

DATED at PORT MORESBY this 12th day of March 2024.

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

Ms. Tamzin Wardley, LM, MBE
Chairwoman
Date: 12 Mar 2024

Mr. Anthony Yauieb
Chair of the Audit & Risk Committee
Date: 12 Mar 2024



Management's Declaration

In our opinion, the financial statements and the accompanying notes set out on pages 60 to 99 are drawn up so as to give a true and fair view of the financial position as at 31 December 2023 and the financial performance for the year 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 is has:

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.

The auditor has communicated with us that relevant ethical requirements prohibiting members of the audit team or their immediate family members holding direct financial interests in the Fund were not met under Section 510 of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants that are relevant to their audit of the Financial Report in Papua New Guinea, for the year ended 31 December 2023. We agreed that safeguards proposed and implemented by the auditor are sufficient to enable them to perform the audit management and to issue their report to the members for the year ended 31 December 2023.

DATED at PORT MORESBY this 12th day of March 2024.

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

Mr. Rajeev Sharma
Chief Executive Officer
Date: 12 Mar 2024

Ms. Debbie Oli
Chief Financial Officer
Date: 12 Mar 2024



Independent* Auditor's Report

To the members of National Superannuation Fund

Report on the audit of the Financial Report

Opinion

We have audited the Financial Report of National Superannuation Fund (the "Fund").

In our opinion, the accompanying Financial Report of the Fund is in accordance with the *Superannuation (General Provisions) Act 2000*, the *Superannuation Prudential Standards issued by the Bank of Papua New Guinea*, including:

- giving a true and fair view of the Fund's financial position as at 31 December 2023 and of its financial performance for the year ended on that date; and
- complying with *International Financial Reporting Standards*.

The Financial Report comprises:

- statement of financial position as at 31 December 2023;
- statement of profit and loss and other comprehensive income, statement of changes in member's funds, and statement of cash flows for the year then ended; and
- notes including a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with the *International Standards on Auditing*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Fund in accordance with the ethical requirements of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the Financial Report in Papua New Guinea, except for the situation described in the Other Matter paragraph below. We have fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that we have remained independent as required by the Code throughout the period of our audit and to the date of this Auditor's Report, except for the situation described in the Other Matter paragraph below.

*We draw your attention to the Other Matter paragraph below which describes matters contributing to the auditor's independence for the year ended 31 December 2023.

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Other Matter

Relevant ethical requirements for auditor independence are set out in the Code. In respect of our audit of the Fund's Financial Report for the year ended 31 December 2023, we note that junior audit team members were members of the Fund for the period under audit, and therefore relevant ethical requirements prohibiting members of the audit team or their immediate family members holding direct financial interests in the Fund were not met under section 510 of the Code. We have implemented relevant safeguards to reduce threats to our independence, including senior team members not holding direct financial interests in the Fund. We have made the Board of Trustees of the Fund, the Bank of Papua New Guinea and Certified Practising Accountants Papua New Guinea aware of the situation and discussed with them the relevant safeguards applied. They have confirmed to us their agreement that the safeguards implemented are sufficient to enable us to perform the audit engagement and to issue our independent auditors' report to the members for the year ended 31 December 2023.

Other Information

Other Information is financial and non-financial information in National Superannuation Fund's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with the *International Financial Reporting Standards, Superannuation (General Provisions) Act 2000* and the *Superannuation Prudential Standards issued by the Bank of Papua New Guinea*;
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- assessing the Fund's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they 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 Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is 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 *International Standards on Auditing* will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. They 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 the Financial Report.

As part of the audit in accordance with *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 report, 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 controls.
- 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 management.
- Conclude on the appropriateness of Those Charged with Governance (TCWG)'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 auditors' report to the related disclosures in the financial report 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 auditors' 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 report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

The auditor communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

The auditor also provides those charged with governance with a statement that the auditor has complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on the auditor's independence, and where applicable, related safeguards. We have communicated with Those Charged with Governance regarding the situation described in the Other Matter paragraph above.

Report on other legal and regulatory requirements

The *Superannuation (General Provisions) Act 2000* and the *Superannuation Prudential Standards* issued by the *Bank of Papua New Guinea* require that in carrying out our audit we consider and report on the following matters. We confirm in relation to our audit of the Financial Report for the year ended 31 December 2023:

- we have obtained all the information and explanations that we have required; and
- in our opinion, proper accounting records have been kept by the Fund as far as appears from an examination of those records.

kpmg
Chartered Accountants



Pieter Steyn
Partner
Registered under the Accountants Act 1996

Port Moresby
13 March 2024



National Superannuation Fund
Statement of Financial Position
As at 31 December 2023

Who we are

Governing the Fund

Working in members' best interests

Investment for members' futures

Financial statements

Additional information

	Note	31 Dec 2023	31 Dec 2022
Assets		K'000	K'000
Investment assets			
Cash and cash equivalents	21	137,738	163,555
Investment in financial assets	8	3,691,240	3,323,115
Property and other receivables		41,950	37,741
Equity investments	9	2,674,376	2,292,064
Investment properties	10	568,608	519,511
		7,113,912	6,335,986
Other assets			
Withholding taxes recoverable		-	21
Current tax assets	12(b)	-	1,655
Other receivables		2,619	1,479
Property and equipment	11	13,517	12,331
		16,136	15,486
Total assets		7,130,048	6,351,472
Liabilities			
Withholding taxes payable		1,342	-
Sundry creditors and accruals	13	18,939	17,095
Current tax liability	12(b)	8,611	-
Provisions for employee entitlements	14	4,020	4,419
Deferred tax liability (net)	12(c)	29,291	30,307
Total liabilities		62,203	51,821
Net assets		7,067,845	6,299,651
<i>Represented by:</i>			
Liability for accrued benefits			
- Allocated funds		6,404,830	5,961,888
- Unallocated contributions		68,188	76,380
- Unallocated earnings		594,827	261,383
Total member funds		7,067,845	6,299,651

Ms. Tamzin Wardley, LM, MBE
Chairwoman
Date: 12 Mar 2024

Mr. Anthony Yaueib
Chair of the Audit & Risk Committee
Date: 12 Mar 2024

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 & Other Comprehensive Income
For the year ended 31 December 2023

	Note	31 Dec 2023	31 Dec 2022
Investment income		K'000	K'000
Interest income	16	294,650	288,583
Dividend income	16	153,461	156,845
Property rentals		37,042	47,980
Movement in net fair value of investments	15	180,623	(44,063)
Net foreign exchange gain/(loss)		84,925	(40,026)
		750,701	409,319
Less: Property costs		(5,330)	(21,670)
Net investment income		745,371	387,649
Other income and expenses			
Sundry income		111	16
Impairment of financial assets		(8,297)	(9,301)
Loss on disposal of fixed assets		(690)	(510)
		(8,876)	(9,795)
Expenditure			
Staff related expenses	18	(30,709)	(28,276)
Fund administration fees		(10,097)	(9,921)
Investment management fees		(6,548)	(6,320)
Advertising		(1,699)	(3,469)
Depreciation		(1,903)	(1,748)
Board expenses		(2,968)	(2,384)
Bank of PNG regulatory fees		(2,694)	(3,854)
Other administration expenses		(17,196)	(16,352)
		(73,814)	(72,324)
Profit before tax		662,681	305,530
Income tax expenses	12(a)	(66,063)	(49,255)
Profit after tax		596,618	256,275
Other comprehensive income		-	-
Total comprehensive income for the year		596,618	256,275

The Statement of Profit or Loss and Other 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' Funds
For the year ended 31 December 2023

	Note	Allocated funds	Unallocated contribution	Unallocated earnings	Total
		K'000	K'000	K'000	K'000
As at 1 January 2022		5,510,188	62,487	367,566	5,940,241
Total comprehensive income		-	-	256,275	256,275
Contributions received	7(a)	-	650,029	-	650,029
Allocated contributions	7(b)	636,136	(636,136)	-	-
Interim interest		8,338	-	(8,338)	-
Benefits paid to members	7(c)	(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
Total comprehensive income		-	-	596,618	596,618
Contributions received	7(a)	-	705,740	-	705,740
Allocated contributions	7(b)	713,932	(713,932)	-	-
Interim interest		9,484	-	(9,484)	-
Benefits paid to members	7(c)	(534,164)	-	-	(534,164)
Interest allocated to members' accounts		253,690	-	(253,690)	-
As at 31 December 2023		6,404,830	68,188	594,827	7,067,845

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 2023

	Note	31 Dec 2023	31 Dec 2022
		K'000	K'000
Cash flow from operating activities			
Interest received		273,249	270,598
Rent received		32,784	45,266
Dividend received		109,790	115,396
Wages and administration payments		(71,463)	(70,198)
Income tax paid	12(b)	(12,351)	(14,199)
Property costs		(5,330)	(21,670)
Net cash from operating activities		326,679	325,193
Cash flow from investing activities			
Purchase of property and equipment		(3,053)	(2,890)
Proceeds from sale of property and equipment		-	475
Acquisition of investment property		(30,024)	(3,338)
Proceeds from sale of investment property		2,293	14,259
Purchase of equity investments		(216,299)	(57,012)
Proceeds from equity investments		128,719	2,857
Investments in financial assets		(1,081,497)	(1,326,070)
Proceeds from sale of financial assets		673,300	880,610
Net cash from investing activities		(526,561)	(491,109)
Cash flows from financing activities			
Contributions received		705,740	650,029
Benefits paid		(534,164)	(546,894)
Net cash from financing activities		171,576	103,135
Decrease in cash and cash equivalents		(28,306)	(62,781)
Effect of exchange rate fluctuations	17	2,489	(166)
Cash and cash equivalents at the beginning of the year		163,555	226,502
Cash and cash equivalents at the end of the year	21	137,738	163,555

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 2023

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 governed by a Board of Directors.

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) and 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 2023 were authorised for issue by the Board of Directors of the Trustee, on 07/03/2024 and signed on 12/03/2024.

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 or loss.

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;
- Measures and evaluates performance of substantially all of its investments on a fair value basis.

The Fund meets all the above requirements.

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.



National Superannuation Fund
Notes to, and forming part of, the financial statements
For the year ended 31 December 2023

2 Basis of preparation (continued)

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 below:

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 judgements 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 equity investments, 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) 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, of in the application of new and revised International Financial Reporting Standards.



National Superannuation Fund
Notes to, and forming part of, the financial statements
For the year ended 31 December 2023

2 Basis of preparation (continued)

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 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

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

The Fund has adopted IFRS 17 and the related amendments for the first time in the current year. 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 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.

The Fund does not have any contracts that meet the definition of an insurance contract under IFRS 17.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgments - Disclosure of Accounting Policies

The Fund has adopted the amendments of IAS 1 for the first time in the current year. The amendments changes 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. The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.



National Superannuation Fund
Notes to, and forming part of, the financial statements
For the year ended 31 December 2023

2 Basis of preparation (continued)

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

The Fund has adopted the amendments to IAS 12 for the first time in the current year. 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 profit nor taxable profit.

Following the amendments to IAS 12, an entity is required to recognize the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates

The Fund has adopted the amendments to IAS 8 for the first time in the current year. 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". The definition of a change in accounting estimates was deleted.

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 2024:

- 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: Non-current Liabilities with Covenants

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.

3 Material accounting policy information

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 in financial assets

In accordance with International Financial Reporting Standards, investment in financial 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).



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3 Material accounting policy information (continued)

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.



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3 Material accounting policy information (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 assets

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.



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3 Material accounting policy information (continued)

(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.

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.



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3 Material accounting policy information (continued)

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.



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3 Material accounting policy information (continued)

(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.

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 expressed 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.



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3 Material accounting policy information (continued)

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.

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.



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3 Material accounting policy information (continued)

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.



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4 Determination of fair values (continued)

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.

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.



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4 Determination of fair values (continued)

(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.

Note 23 outlines the Funds exposure to the risks from its use of financial instruments.

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.

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.



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5 Financial risk management (continued)

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 (2022: 8.4%). Employees contribute to the Fund during the year at a minimum rate of 6.0% of the gross salaries (2022: 6.0%).



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7 Members' Funds	Note	31 Dec 2023	31 Dec 2022
(a) Contributions received		K'000	K'000
Superannuation contributions receipts	(i)	677,389	621,147
Eda supa receipts		5,903	6,994
Housing advance repayments		18,052	17,004
Transfers in from other superfunds		4,396	4,884
Total contributions/transfers		705,740	650,029
(b) Allocated contributions			
Superannuation contributions	(ii)	(707,143)	(628,520)
Eda supa contributions	(ii)	(6,789)	(7,616)
Total allocated contributions		(713,932)	(636,136)
(c) Benefits paid to members			
Retirement exit payments		(348,503)	(346,570)
Unemployment benefits		(95,547)	(107,347)
Housing advance		(38,603)	(36,717)
Death		(29,937)	(35,884)
Medical grounds		(7,257)	(8,041)
Transfers to other superfunds		(8,644)	(6,537)
Eda Supa		(5,673)	(5,798)
Total benefits paid to members		(534,164)	(546,894)

(i) Superannuation contribution receipts, represents both the employer and employee portion.

(ii) Contributions received are allocated to member accounts, upon receipt of the bank statement and contribution file from employer. Any funds received, without the contribution file, or where monies received do not match the contribution file, are unable to be allocated to members' accounts. These are held as unallocated funds. At the point in which the funds are allocated to the member's account, the respective interest for periods unallocated, are also calculated and credited to the members account. So no member misses out any any interest during the period when their funds were sitting as unallocated.



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8 Investments in financial assets	Note	31 Dec 2023	31 Dec 2022
		K'000	K'000
Treasury bills		614,757	551,140
Interest Bearing Deposits		27,405	-
Government Inscribed Stock (GIS)	(a)	2,785,287	2,498,812
Sovereign Community Infrastructure Treasury Bill (SCITB)	(b)	28,431	28,348
Interest receivable	(c)	62,042	79,981
Notes and other loans	(d)	173,318	164,834
		3,691,240	3,323,115
(a) Government Inscribed Stock (GIS)			
GIS		2,832,421	2,552,039
Provision for impairment on GIS	(e)	(47,134)	(42,698)
		2,785,287	2,509,341
(b) Sovereign Community Infrastructure Treasury Bill (SCITB)			
SCITB		68,581	68,581
Interest receivables from SCITB		35,250	35,250
Provision for impairment on SCITB	(e)	(75,400)	(75,483)
		28,431	28,348

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 2023, the balance of the SCITB remains in dispute and the Fund is continuing its legal recovery of these funds (including any accrued interest). Refer to note 20(b) (i) and (iii).

(c) Interest receivable					
Opening balance	accrued				
interest				79,981	61,995
Increase/(decrease)	in accrued			(17,939)	17,986
interest				62,042	79,981



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8 Investment in financial assets (continued)

(d) Notes and other loans	Maturity (years)	Yield	Note	31 Dec 2023	31 Dec 2022
				K'000	K'000
Panamex Limited	-	10%		10,000	10,000
Tawali Resort Limited	-	-	(i)	4,057	4,057
Heritage Park Hotel Limited	-	13.5%		23,496	26,108
Mainland Holdings Limited	-	10%		145,366	106,026
The Edge Limited	-	-		-	6,600
PNG Air Limited	-	-	(ii)	45,000	45,000
Hornibrook Limited	1	10%		5,000	5,000
City Centre Development Limited (CCDL)	-	-		-	17,590
Loloata Island Resort Limited	10	6%		3,024	3,024
				235,943	223,405
Less: Provision for impairment			8(e)	(62,625)	(58,571)
				173,318	164,834

All loans are subject to fixed interest rates except CCDL and The Edge Limited. CCDL and Edge have been fully repaid in 2023.

(i) In 2012 the Fund provided for the loan to Tawali Resort of K4.057 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. In 2023, PNG Air underwent a proposed debt restructure exercise, which resulted in a proposed debt to equity conversion for Nasfund. This is required to go through further approvals and as such, has not been effected in the accounts.



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8 Investment in financial assets (continued)

(e) Movement in provisions		31 Dec 2022	Movement	31 Dec 2023
	Note	K'000	K'000	K'000
Provision for impairment is comprised of the following:				
Tawali Resort Limited	8 (d)	4,057	-	4,057
Sovereign Community Infrastructure Treasury Bill	8 (b)	75,483	(83)	75,400
Government Inscribed Stock	8 (a)	42,698	4,436	47,134
PNG Air Limited	8 (d)	45,000	-	45,000
Mainland Holdings Limited	8 (d)	9,091	2,980	12,071
City Centre Development Limited		310	(310)	-
The Edge Limited		113	(113)	-
Loloata	8 (d)	-	252	252
Hornibrooks	8 (d)	-	415	415
Panamex Limited	8 (d)	-	830	830
Closing balance		176,752	8,407	185,159
		31 Dec 2021	Movement	31 Dec 2022
		K'000	K'000	K'000
Provision for impairment is comprised of the following:				
Tawali Resort Limited		4,057	-	4,057
Sovereign Community Infrastructure Treasury Bill		75,483	-	75,483
Government Inscribed Stock		34,825	7,873	42,698
PNG Air Limited		45,000	-	45,000
Mainland Holdings Limited		7,805	1,286	9,091
City Centre Development Limited		310	-	310
The Edge Limited		113	-	113
Closing balance		167,593	9,159	176,752



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9 Equity investments	Note	31 Dec 2023	31 Dec 2022
		K'000	K'000
Quoted investments - domestic	(a)	772,629	708,658
Quoted investments - international	(a)	825,996	607,407
Unquoted investments	(b)	1,075,751	975,999
		2,674,376	2,292,064

(a) Quoted investments				
Summary of fair value movement of quoted investments is as follows:				
Quoted shares domestic	31 Dec 2022	Fair value movement	Other movements	31 Dec 2023
	K'000	K'000	K'000	K'000
PNG Air Limited	250	-	-	250
BSP Financial Group Limited	562,402	58,460	-	620,862
City Pharmacy Limited	31,122	(3,804)	-	27,318
Credit Corporation (PNG) Limited	114,884	9,315	-	124,199
	708,658	63,971	-	772,629
Quoted shares international	31 Dec 2022	Fair value movement	Other movements	31 Dec 2023
	K'000	K'000	K'000	K'000
Santos Limited	65,840	9,317	-	75,157
Vanguard Investments Australia Limited	495,081	89,885	(48,613)	536,353
iShares Core S&P500 ETF	-	28,566	124,525	153,091
Steamships Trading Company Limited	46,486	12,551	-	59,038
Kina Securities Limited	-	53	2,305	2,358
	607,407	140,372	78,217	825,996

Reconciliation of movement in quoted investments is as follows:	Note	31 Dec 2023	31 Dec 2022
		K'000	K'000
Opening balance		1,316,065	1,386,967
Net additions during the year		78,217	57,012
Fair value gain/(loss)	15	204,343	(127,914)
Closing balance		1,598,625	1,316,065



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9 Equity investments (continued)

Summary of fair valuation of unquoted investments is as follows:

(b) Unquoted investments at fair value	% holding	Valuation model		31 Dec 2022	Fair value movement	Other movements	31 Dec 2023
		2023	2022	K'000	K'000	K'000	K'000
Amalgamated Packaging Limited	30.00	(ii)	(ii)		(800)	-	
Hornibrooks NGI Limited	21.13	(i)	(i)		(500)	-	
Brian Bell & Company Limited	20.31	(ii)	(ii)		19,050	-	
The Edge Limited	100.00	(i)	(i)		(7,784)	-	
City Centre Development Limited	100.00	(i)	(i)		(4,519)	358	
South Pacific Brewery Limited	0.72	(ii)	(ii)		1,800	-	
Pacific Balanced Fund	20.97	(i)	(i)		-	-	
Toyota Tsusho (PNG) Limited	0.61	(i)	(i)		-	(39)	
Hillside Garden	50.00	(i)	(i)		3,125	-	
Panamex Limited	41.10	(ii)	(ii)		10,693	(4,193)	
Heritage Park Hotel	60.00	(i)	(i)		11,550	-	
Malagan Limited	100.00	(i)	(i)		4,951	-	
Carpark Limited	100.00	(i)	(i)		(3,025)	-	
Gewani Limited	100.00	(i)	(i)		5,553	-	
Capital Insurance Group Limited	19.20	(i)	(i)		2,950	-	
Loloata Island Resort Limited	50.00	(i)	(i)		4,000	-	
Mainland Holdings Limited	98.89	(i)	(i)		(10,250)	-	
Pacific International Hospital	30.36	(i)	-		-	66,832	
Total unquoted investments				975,999	36,794	62,958	1,075,751

(i) Adjusted Net Assets on a Going Concern Basis

(ii) Capitalisable Maintainable Earnings ("CME")

	Note	31 Dec 2023	31 Dec 2022
		K'000	K'000
<i>Reconciliation of movement in unquoted investments is as follows:</i>			
Opening balance		975,999	929,379
Additions during the year	(i)	66,832	-
Fair value gain	15	36,794	49,644
Other movements		(3,874)	(3,024)
Closing balance		1,075,751	975,999

The above unquoted investments are stated at fair value, which have been determined by the Board of Directors based on external valuations performed by PwC 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) Additions in current year relate to the purchase of 30.36% interest in Pacific International Hospital.



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9 Equity investments (continued)

(c) Unconsolidated subsidiaries

National Superannuation Fund meets the definition of an investment entity under IAS 10 *Consolidated Financial Statements* and in accordance with the consolidation exemption for investment entities in IAS 10, the Fund measures its investments in its subsidiaries at fair value through profit or loss in accordance with IAS 9 Financial Instruments. There are no significant restrictions on the ability of any unconsolidated subsidiaries to transfer funds to the Fund. The Fund's unconsolidated subsidiaries are disclosed in the table below.

Subsidiary name	Principal place of business
The Edge Limited	Port Moresby, Papua New Guinea
City Centre Developments Limited	Port Moresby, Papua New Guinea
Malagan Limited	Port Moresby, Papua New Guinea
Carpark Limited	Port Moresby, Papua New Guinea
Gewani Limited	Port Moresby, Papua New Guinea

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

BSP Financial Group Limited	8.78%
Vanguard Investments Australia Limited	7.59%

(e) 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) Adjusted 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. Realization discount rates adopted ranges from 5% to 100% (average between 21% to 38%).

(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, adjusted market multiples ranging from 3.4x to 8.6x, country risk ranging from 18% to 70% and control premium ranging from 20% to 25%.

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.

(f) Sensitivity analysis	31 Dec 2023	31 Dec 2022
The following is a sensitivity analysis of significant unobservable inputs, and shows the effect on profit or loss	K'000	K'000
Increase in 1% in market multiples	34,337	25,329
10% increase in earnings	19,337	12,584
Increase of 5% in discount rates	(30,467)	(29,994)

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



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10 Investment properties		Note	31 Dec 2023		31 Dec 2022		
			K'000		K'000		
Residential properties	(a)		45,327			48,666	
Industrial properties	(a)		14,300			14,500	
Commercial properties	(a)		484,701			433,253	
Land	(a)		11,711			14,560	
Work in progress			12,569			8,532	
			568,608			519,511	
(a) Investment properties (at market value)	Capitalisation rates	Valuation model		31 Dec 2022	Fair value movement	Other	31 Dec 2023
		2023	2022	K'000	K'000	K'000	K'000
Residential properties							
Solwara Apartments	8% (2022: 8%)	MC	MC		(4,516)	-	
Lot 18 Sect. 69 House Property	-	DMA	DMA		1,177	-	
Lot 3 Sect. 2 Madang Property	-	DMA	DMA		-	-	
Siroi Panu Units	-	DMA	DMA		-	-	
				48,666	(3,339)	-	45,327
Industrial properties							
API	11.5%	MC	DMA		(200)	-	
				14,500	(200)	-	14,300
Commercial properties							
Ravalian Haus	10% (2022: 8.5%)	MC	MC		4,820	-	
Able Computing Madang	11% (2022: 10%)	MC	MC		-	-	
ANZ Haus	10.5% (2022: 10%)	MC	MC		1,292	-	
Westpac Head Office Building	-	DMA	DMA		-	-	
BSP Douglas Street	-	SU	SU		2,019	-	
Madang Slipway	-	DMA	DMA		-	-	
Kina Haus	10% (2022: 10%)	MC	MC		15,743	-	
Nasfund Haus Lae	11% (2022: 11%)	MC	MC		-	-	
NCSL Head Office	10% (2022: 10%)	MC	MC		-	-	
IPA Haus	10.5% (2022: 10.5%)	MC	MC		677	-	
Burns Philp	10.5% (2022: 10.5%)	MC	MC		287	-	
The Face	10.5% (2022: 10.5%)	MC	MC		-	-	
The Factory	10.5% (2022: 10.5%)	MC	MC		163	-	
Zenara	11.0%	MC	-		460	25,987	
				433,253	25,461	25,987	484,701
Land							
Section 69, Lae	-	-	DMA		-	(2,849)	
8 Mile and 9 Mile	-	DMA	DMA		-	-	
Vacant Land, POM	-	DMA	DMA		-	-	
Vacant Land, Lae	-	DMA	DMA		-	-	
				14,560	-	(2,849)	11,711

MC - Market capitalisation | DMA - Direct market approach | SU - Summation approach



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10 Investment properties (continued)

Reconciliation of movement in investment properties is as follows:	Note	31 Dec 2023	31 Dec 2022
		K'000	K'000
Opening balance		519,511	529,135
Additions/(disposals)		23,138	(10,769)
Work in progress		4,037	6,798
Fair value gain/(loss)	15	21,922	(5,653)
Closing balance		568,608	519,511

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).

All rental income and property costs disclosed in the Statement of Profit or Loss and Other Comprehensive income, relate purely to investment properties.

(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. Key unobservable input includes the risk-adjusted market capitalisation rates as disclosed above. Lease rates and outgoings are based on the actual as earned and incurred by the Fund.

(iii) Summation approach (SU) is based on attributing a value to each component of the property, rather than a value for the property in its entirety.

(iv) 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 K568.608 million (2022: K519.511 million) have been categorized 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)

(v) Level 3 fair value

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values:

	Note	31 Dec 2023	31 Dec 2022
		K'000	K'000
Opening balance		519,511	529,135
Improvements, reclassifications, and additions		23,138	(10,769)
Work in progress		4,037	6,798
Changes in fair value		21,922	(5,653)
Closing balance		568,608	519,511

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 10% to 11.5% (2022: 8.5% 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.

(vi) Sensitivity analysis

	Effect on profit or loss	
	31 Dec 2023	31 Dec 2022
	K'000	K'000
Increase of 1% in capitalisation rates	(2,031)	(60,644)
10% increase in rentals	101,870	109,825

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	Motor Vehicles	Office equipment	Fixture & fittings	Total
Cost or deemed cost	K'000	K'000	K'000	K'000
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
Additions	1,811	129	-	1,940
Disposals	(687)	(1,926)	(47)	(2,660)
At 31 December 2023	3,691	11,988	8,294	23,973
Accumulated depreciation				
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
Depreciation for the year	597	459	604	1,660
Disposals	(687)	(1,771)	(47)	(2,505)
At 31 December 2023	1,602	9,068	5,466	16,136
Carrying amounts				
At 31 December 2023	2,089	2,920	2,828	7,837
At 31 December 2022	875	3,405	3,432	7,712
Capital Work in Progress included in property and equipment			31 Dec 2023	31 Dec 2022
			K'000	K'000
Opening balance			4,619	2,931
Commissioned			(53)	-
Additions			1,114	1,688
Closing balance			5,680	4,619
Total property and equipment			13,517	12,331



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12 Income tax	31 Dec 2023	31 Dec 2022
(a) Income tax expense	K'000	K'000
Current tax	66,063	52,846
Under provision of current taxes in previous years	-	(3,591)
	66,063	49,255
Accounting profit before tax	662,681	305,529
Tax on the profit for the year at 25%	165,670	76,382
Taxation effect of permanent differences		
- Non-deductible items	390	38,231
- Non-taxable items	(61,632)	(22,556)
Dividend rebate	(38,365)	(39,211)
Under/(over) provision in prior years	-	(3,591)
	66,063	49,255
(b) Current tax asset/(liability)		
Opening balance of income tax receivable	1,655	(13,612)
Current tax	(67,078)	(94,021)
Under provision of taxes in previous years	-	6,085
Offset by withholding taxes recoverable	44,461	89,004
Payment during the year	12,351	14,199
	(8,611)	1,655

(c) Deferred tax liability (net)	Assets	Liabilities	Net
As at 31 December 2022	K'000	K'000	K'000
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	(54,670)	(30,307)
As at 31 December 2023			
Property, plant and equipment	-	(292)	(292)
Investment property	-	(38,767)	(38,767)
Provisions	25,529	-	25,529
Interest receivable	-	(15,556)	(15,556)
Other	-	(205)	(205)
	25,529	(54,820)	(29,291)



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13 Sundry creditors and accruals	31 Dec 2023	31 Dec 2022
	K'000	K'000
Sundry creditors and other accruals	15,002	13,322
Bonds and repayable deposits	3,937	3,773
	18,939	17,095

14 Provision for employee entitlements	Note	31 Dec 2023	31 Dec 2022
		K'000	K'000
Annual leave		899	1,422
Long service leave		3,121	2,997
		4,020	4,419
The movement in provision for long service leave is presented as follows:			
Opening balance		2,997	2,388
Charge for the year utilised	18	375	986
Payments made during the year		(251)	(377)
Closing balance		3,121	2,997

15 Movement in fair value of investments

The realised gain/(loss) 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/(loss) 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		
Shares in listed companies	9(a)	204,343	(127,914)
Shares in unlisted companies	9(b)	36,794	49,644
Investment properties	10	21,922	(5,653)
		263,059	(83,923)
Net foreign exchange gain/(loss) shown separately on the face of the Statement of Profit or Loss and Other comprehensive income:	17	82,436	(39,860)
Movement in fair value not attributed to foreign exchange gain/(loss)		180,623	(44,063)



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16 Investment income	31 Dec 2023	31 Dec 2022
	K'000	K'000
Interest income		
<i>Financial instruments measured at amortised cost:</i>		
Government inscribed stock	254,844	233,242
Bank deposits	2,229	1,601
Treasury bills	14,243	40,002
Loans	23,334	13,738
	294,650	288,583
Dividend income		
<i>Dividends received from equity investments:</i>		
Unlisted equity	51,821	57,114
Listed equity	101,640	99,731
	153,461	156,845
Total investment income	448,111	445,428

17 Operating profit for the year has been arrived at after charging the following items:	Note	31 Dec 2023	31 Dec 2022
		K'000	K'000
Auditors' remuneration – audit		(538)	(496)
Legal expenses		(502)	(760)
Gain on sale of property, plant and equipment		207	(510)
Net foreign exchange gain/(loss) – related to cash		2,489	(166)
Net foreign exchange gain/(loss) – related to investments	15	82,436	(39,860)



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18 Staff related expenses		31 Dec 2023	31 Dec 2022
		K'000	K'000
Salaries and wages		16,303	14,587
Superannuation		725	1,529
Long service leave	14	375	986
Other expenses and benefits		13,306	11,174
		30,709	28,276
The number of full time employees at the end of year was 172 (2022: 183)			
		31 Dec 2023	31 Dec 2022
The number of employees whose remuneration exceeds K100,000 for the year was 29 (2022: 26)		No.	No.
Total remuneration (Kina)			
K100,001 - K150,000		8	7
K150,001 - K200,000		3	7
K200,001 - K250,000		5	2
K250,001 - K300,000		-	-
K300,001 - K350,000		1	3
K350,001 - K400,000		2	3
K400,001 - K450,000		-	1
K450,001 - K500,000		-	-
K500,001 - K550,000		1	1
K550,001 - K600,000		4	-
K600,001 - K650,000		3	-
K650,001 - K700,000		-	-
K700,001 - K750,000		-	-
K750,001 - K800,000		-	-
K800,001 - K850,000		-	-
K850,001 - K900,000		-	-
K900,001 - K950,000		-	-
K950,001 - K1,100,000		1	-
K1,100,001 +		1	2
		29	26

19 Employee benefit plans

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 2023, the Fund expensed K1.361 million in contributions (2022: K1.528 million).



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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 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 include 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 2023:

(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 June 2023, 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 2023, the lawyers are still waiting to receive a court hearing date and expect a ruling to be made on the case within the course of the 2024 financial reporting period.



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20 Commitments, contingencies and disputes (continued)

(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 K75.4 million (2022: K75.4 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.

(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	Jun-24
BSP Capital Limited	Investment Management	Jul-24
(d) Material contracts - property management		
Contract	Services	Expiry Date
Ashton Brunswick Limited	Facilities Manager	Dec-24



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21 Cash and cash equivalents

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 2023	31 Dec 2022
	K'000	K'000
Cash at bank and on hand	103,989	128,012
Interest bearing deposits	33,749	35,543
Cash and cash equivalents	137,738	163,555
Interest bearing deposits have a maturity of less than 90 days. Interest rates ranged from 0.50% to 5.2% (2022: 0.25% to 7.0%)		

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 Loans Society ("NCSL")

Nasfund Contributors Savings and Loans Society is a related party as Nasfund contributors are eligible to be members of the Society.

	31 Dec 2023	31 Dec 2022
	K'000	K'000
Opening balance owing to Nasfund	8	27
Payments made to Nasfund	(8)	(19)
Closing balance	-	8



National Superannuation Fund
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22 Related party transactions (continued)

(ii) Transactions with key management personnel

All Directors and the Company Secretary are considered key management personnel together with the following management personnel; Chief Executive Officer, Chief Financial Officer, Chief Officer Member Services, Chief Risk Officer, Chief Investment Officer, Chief Technology Officer, Chief Legal Officer, Chief Officer Talent & Culture, Chief Communications Officer, Executive Officer to CEO and Head of Internal Audit.

(iii) Compensation	31 Dec 2023	31 Dec 2022
Key management personnel compensation comprised of:	K'000	K'000
Salary and fees	7,819	7,302
Non-monetary benefits	362	331
Post-employment benefits	566	989
	8,747	8,622

(iv) Loans

No loans were provided to key management personnel during the year.

(v) Benefits paid to directors	31 Dec 2023	31 Dec 2022
The following payments were made to Board members and Board Committee members:	K'000	K'000
Sitting allowance	404	371
Board fees	2,014	1,504
Directors insurance	214	218
Other costs	336	291
	2,968	2,384

All key management personnel are contributors to Nasfund.

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
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22 Related party transactions (continued)

(vi) Board personal interests as at 31 December 2023

Name	Nature	Organisations
Ms. Tamzin Wardley, LM, MBE	Director	Westpac PNG Ltd; Water PNG Ltd; Buk Bilong Pikinini Inc
	Shareholder	Steel Industries Ltd; Santos Ltd; Vanguard Ltd
	Committee member	PNG Weighting Federation Inc., PNG Cricket Board Inc., Royal Papua Yacht Club Inc.
Mr. Anthony Yauieb	Director/ shareholder	Alle PNG Limited
Mr. Leon Buskens	Director/Shareholder	SP Brewery Limited, Gazelle International Hotel, Kopkop College, Santos Foundation
	Chairman/Director	IPA
	Shareholder	Santos Limited
	Trustee-Not for Profit	National Football Stadium
Mr. Kepas Wali	Director/Shareholder	Minerals & Petroleum Consultants Ltd
	Director	Morobe Exploration Ltd, Morobe Consolidated Goldfields, Harmony Gold (PNG) Exploration Ltd, Wafi Mining Ltd
Ms. Florence Willie	Director/shareholder	Konevilla No 1 Consultants Limited
	Deputy Chair	National Apprenticeship and Trade Testing Board; National Training Council
	Council Member	Council of University of Technology
Mr. Michael Murphy	Owner	Mike Murphy Actuarial
	Shareholder	Telstra Corporation Limited (AUS), AMP Limited (AUS), AON PLC (US/UK)
Ms. Julienne Leka-Maliaki	Director	Logic Connect Ltd, Business Council of PNG
	Shareholder	PNG Air Ltd, Santos Limited
Mr. Christopher Elphick	Shareholder/Director	Natu Investments (PNG) Limited, Tohouwa (PNG) Limited
	Chairman/Director	Nasfund Contributions Savings & Loans Society,
	Director/Member	Transparency International PNG, Young Professional Network of PNG, MIICo, Milne Bay Islands Investments Company Limited
Mr. Chey Scovell	Vice President	Port Moresby Chamber of Commerce & Industry
	Director	PNG Chamer of Commerce & Industry, National Food Sanitation Council, World Bank - PNG Urban Youth Employment Program
	Shareholder/Director	Sapience Limited
	Shareholder	Adairs Limited, Betmakers Technology Group Limited, Castillo Copper Limited, Core Lithium Limited, DGL Group Limited, Doctor Care Anywhere Plc, Galilee Energy Limited, Genetic Signatures Limited, Ironbark Zinc Limited, Johns Lyng Group Limited, Kina Securities, Liontown Resources Limited, Mesoblast Limited, Metarock Group Limited, Netwealth Group Limited, PSC Insurance Group Limited, Santos Limited, Wam Research Limited, Westpac (Australia)
Mr. Andrew Kitum	Director	Equal Playing Field
The following directors are contributors of Nasfund		Tamzin Wardley, Leon Buskens, Christopher Elphick, Florence Willie and Julienne Leka-Maliaki



National Superannuation Fund
Notes to, and forming part of, the financial statements
For the year ended 31 December 2023

23 Financial instruments

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Fund. The Trustee of the Fund has adopted the policy of spreading the aggregate value of transactions concluded amongst approved counterparties with appropriate credit qualities, as a means of mitigating the risk of financial loss.

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's exposure and the credit ratings of its counterparties are continuously monitored. Credit risk arising on investments is mitigated by investing primarily in rated instruments or instruments issued by rated counterparties with credit ratings of at least 'BB' or better as determined by Standard and Poor's. Credit risk associated with contributions receivable and other receivables is considered minimal.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies

The Fund does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. It is the opinion of the management of the Fund that the carrying amounts of these financial assets represent the maximum credit risk exposure at the balance sheet date. There were no significant concentrations of credit risk to counterparties.

The carrying amount of financial assets represents the maximum credit exposure. The maximum credit exposure to credit risk at the reporting date was:

	31 Dec 2023	31 Dec 2022
	K'000	K'000
Government inscribed stock	2,785,287	2,509,341
Interest bearing deposits	27,405	-
Sovereign Community Infrastructure Treasury Bill (SCITB)	28,431	28,348
Equity securities	2,674,376	2,292,064
Notes and other loans	173,318	164,834
Interest receivables	62,042	79,981
Property receivables	10,664	8,999
Other receivables	34,190	30,222
Treasury bills	614,757	540,611
Cash and cash equivalents	137,738	163,555
Total	6,548,208	5,817,955



National Superannuation Fund
Notes to, and forming part of, the financial statements
For the year ended 31 December 2023

23 Financial instruments (continued)

The maximum exposure to credit risk for loans and receivables at the reporting date is concentrated in Papua New Guinea.

Ageing of property receivables	31 Dec 2023	31 Dec 2022
The ageing of unimpaired property receivables at the reporting date was:	K'000	K'000
Current	192	114
31 - 60 days	261	273
61 - 90 days	1,599	297
over 90 days	8,612	8,315
Total	10,664	8,999

The movement in the allowance for impairment in respect of property receivables is as follows:	31 Dec 2023	31 Dec 2022
	K'000	K'000
Opening balance	4,604	4,591
Doubtful debts provisions during the year	34	13
Closing balance	4,638	4,604

(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.

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.



National Superannuation Fund
Notes to, and forming part of, the financial statements
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23 Financial instruments (continued)

(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:

	SGD	AUD	USD	SBD
	K'000	K'000	K'000	K'000
As at 31 December 2023				
Equity investments	38,000	670,547	153,091	110,100
Cash at bank	-	6,158	1,446	8,321
Gross balance	38,000	676,705	154,536	118,421
% of net asset value	0.5%	9.6%	2.2%	1.7%
Foreign exchange rate	0.35	0.39	0.28	2.28
As at 31 December 2022				
Equity investments	31,500	607,407	-	98,550
Cash at bank	-	20,689	20,638	2,421
Gross balance	31,500	628,096	20,638	100,971
% of net asset value	0.5%	2.1%	8.2%	1.4%
Foreign exchange rate	0.38	0.42	0.29	2.35

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 2023 and 2022.

	31 Dec 2023	31 Dec 2022
	K'000	K'000
AUD	67,671	62,810
USD	15,454	2,064
SBD	11,842	10,097
	94,967	74,971

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 show 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 2023

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 2023	31 Dec 2022
<i>Fixed rate instruments</i>	K'000	K'000
Government inscribed stock	2,785,287	2,509,341
Treasury bills	614,757	540,611
Loan receivables	149,822	164,834
Interest bearing deposits	27,405	-
Total	3,577,271	3,214,786

(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 10, and forming part of, the financial statements
For the year ended 31 December 2023

23 Financial instruments (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.

		Carrying amount	Effect on net assets & profit increase	Effect on net assets & profit decrease
	%	K'000	K'000	K'000
As at 31 December 2023				
Listed overseas shares	15%	825,996	123,899	(123,899)
Listed local shares	10%	772,629	77,263	(77,263)
Investment in unquoted companies	5%	1,075,751	53,788	(53,788)
As at 31 December 2022				
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)

(f) Fair value versus carrying value

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
	K'000	K'000	K'000	K'000
As at 31 December 2023				
Equity securities	1,598,625	-	1,075,751	2,674,376
Investment properties	-	-	568,608	568,608
	1,598,625	-	1,644,359	3,242,984
As at 31 December 2022				
Equity securities	1,316,065	-	975,999	2,292,064
Investment properties	-	-	519,511	519,511
	1,316,065	-	1,495,510	2,811,575



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 2023	31 Dec 2022
	K'000	K'000
Opening balance	1,495,511	1,458,516
Changes in fair value	58,716	43,991
(Disposals/redemptions) or additions during the year	23,301	(6,996)
Closing balance	1,577,528	1,495,511

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, other than what is disclosed here, are required. On January 10, 2024 Port Moresby was faced with civil unrest which resulted in city wide rioting. Many business houses were impacted, with a number of retail shops being destroyed through fire. Included in the business affected are 3 of our investee companies, namely Brian Bell, City Pharmacy and Steamships. As the assessment of the impact is still ongoing by these entities, we are unable to quantify the extent of losses. As this happened after 31 December 2023, it is considered a non-adjusting subsequent event and therefore no adjustment has been made in our books.



Additional information

Policies required under the prudential standards

Annual crediting rate policy	103-105
Reserving management policy	106-108
Interim crediting rate policy	108-109
Policy on the use of derivatives	110-111
Corporate directory	112
Member discount program	113



Policies required under the prudential standards

A specified number of policies must be reviewed annually and published on the website and annual report, as part of Prudential standard 1/2014 issued to Authorized Superannuation Funds by the Bank of Papua New Guinea.

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 Authorized 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, and 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 determines an Annual Crediting Rate once per annum, after the close of the financial accounts for the year. Only after the Net Surplus Available to Members has been calculated, can the Annual Crediting Rate be determined, and returns credited to member accounts. Determining the 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 Policy for Valuation of Unlisted and/or Illiquid Assets for details). Such valuations are used to determine the 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).



Policies required under the prudential standards

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.

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

6. What happens when 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 that 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 K1 00 or less, then the Trustee Board would instruct the Licensed Fund Administrator to not adjust those member accounts.

The net adjustment to 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).

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 the 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 the 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 the potential to distort returns at the risk of member equity. (See Policy for Valuation of Unlisted and/or Illiquid Assets 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 slightly conservatively to avoid exiting members gaining an unfair advantage.

7.6 Members' best interests: The Trustee Board recognizes that due to this slightly 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.

8. Annual review of crediting rate policies and procedures

8.1 This Annual Crediting Rate Policy will be reviewed regularly in consultation with the Licensed Investment Manager and such a review will be done at least annually.



Policies required under the prudential standards

Appendix 1: Example of time-weighted rate of return calculation

A. Interest on opening balance (Opening balance x 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 received during the year

Individual contributions x No. of days left/365 x Interest rate

	Month	Date paid	Days left	Member	Employer	Total	Interest earned per month	
1	January	31 Jan	334	K60.00	K84.00	K144.00	K11.20	
2	February	28 Feb	306	K60.00	K84.00	K144.00	K10.26	
3	March	31 Mar	275	K60.00	K84.00	K144.00	K9.22	
4	April	30 Apr	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 Jun	184	K60.00	K84.00	K144.00	K6.17	
7	July	31 Jul	153	K60.00	K84.00	K144.00	K5.13	
8	August	31 Aug	122	K60.00	K84.00	K144.00	K4.09	
9	September	30 Sep	92	K60.00	K84.00	K144.00	K3.09	
10	October	31 Oct	61	K60.00	K84.00	K144.00	K2.05	
11	November	30 Nov	31	K60.00	K84.00	K144.00	K1.04	
12	December	21 Dec	10	K60.00	K84.00	K144.00	K0.34	
		Total interest earned on monthly contributions over Year Two					K1,728.00	K67.97

A + B

Overall interest earned from the 8.5%	A = K579.71 B = K67.98	K647.69	Year Two Balance after crediting rate of interest	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 Authorized Superannuation Fund Investments (PS 1/2014) refers. Paragraphs 14 and 15 refer in detail to the 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.

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, Compliance Reserves, and Liquidity Reserves. The Trustee Board does not intend to open reserves to manage these risks at this time.



Policies required under the prudential standards

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 the 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 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.





Policies required under the prudential standards

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 an 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 benefiting members through continuity of service. At the time of writing the Trustee Board does not maintain an Operational Risk Reserve.

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 in consultation with the Licensed Investment Manager will review the Reserving Management Policy on a regular basis and at least annually.

Interim crediting rate policy

1. Purpose of the 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 Authorized 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 the “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 website.”

3. Target assets covered by the policy

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 small reductions in the Annual Crediting Rate. See the Fund’s Reserving Management Policy for details).





Policies required under the prudential standards

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 restate 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 the interim crediting rate is 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's 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 Credit 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 principals;

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 seeks to balance the costs of more frequent valuations against the benefits of more frequent crediting rates.

8. Review of this policy

This Interim Crediting Rate Policy will be reviewed at least annually.

Appendix 1: Example of time weighted rate of return and calculation (see table on page 111)



Policies required under the prudential standards

Policy on the use of derivatives

1. Purpose on 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 the management of the Fund's investment assets.

1.2 The objective of this policy is to provide a framework for the 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 Authorized Superannuation Fund Investments (PS 1/2014). Paragraph 34 (a — h) refers in detail.

2.3 Prudential Standard 1 / 2014, Paragraph 34 (e) states that the "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 the "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 accountabilities

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 investment risks and ensures the Trustee Board, and all those (internal and external) responsible for the 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 ongoing 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. Definitions

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:



Policies required under the prudential standards

- 4.2a Equity Derivatives.
- 4.2b Currency derivatives.
- 4.2c Interest rate derivatives.
- 4.2d Credit derivatives; and
- 4.2e 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.

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

5.3a The Licensed Trustee and the Licensed Investment Manager will ensure that the assets and liabilities of the Fund will not include a derivative, except were allowed under Paragraph 34 (b) to (e) of Prudential Standard 1 / 2014. See PS 1 / 2014 paragraph 34.

5.3b 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).

5.3c Derivatives will only be used to reduce the risk of existing investments or currency positions. See PS 1 / 2014 paragraph 34 (c).

5.3d Derivatives may only be used when the exposure is fully covered by the assets of the Fund. PS 1 / 2014 paragraph 34 (d).

5.3e Derivatives will not be used to obtain exposure that is substantially different from that which could be obtained through physical securities.

5.3f The use of any derivatives would specifically consider liquidity management as part of the consideration in using any derivative.

5.3g 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.





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Membership discount program partners

Nationwide	Discount
Air Niugini (Cargo)	15%
Brian Bell & Co. Ltd	15%
PNG Air Ltd	K50
Port Moresby	
Able Computing (PNG) Ltd	10%
All Workers Barber Services Ltd	20%
Anitua Hardware	10%
Badili Hardware	10%
BizPrint & Scan	10%
Brian Bell & Co. Ltd	15%
Brian Bell Chemicals	15%
Brian Bell Electrical	15%
Café Pacific	10%
Camp Administration	10%
Cellar Restaurant	10%
Chin H Meen & Sons Ltd	15%
Chin H Meen Entertainment Centre	10%
City Health Care	10%
Courts (PNG) Ltd	10%
Daltron Ltd	10%
Dental On Coronation	10%
Electrical Wholesellers Ltd	18%-20%
Essence Floral	25%
Etnambo Builders	10%
FX Business Centre	10%
Glow Hair Boutique	10%
Holiday Inn and Suites	10%
Hope Essence Dental Care	50%
Ideal Hardware	11%
Ideal Hardware - Home Centre	15%
Lamana Hotel	20%
Leon Enterprise Ltd	10%
Look Fresh Salon	10%
Lotus Spa	15%
Majestic Ocean Ltd - Bzzworld	10%
Mills Dental Care	10%
Monier Ltd	10%
Mr. Mike	10%
Nanga Medical & Dental Centre Ltd	12.50%
Nesian Beauty	20%
Oi Lau Timber Yard	20%
PNG Pipemakers	5%
Prolink International	5%
Relexo Shoe Shop	10%
Remington Technology Ltd	12.50%
Sed Optical Ltd	20%
Solar Energy Solutions PNG	10%-15%
Solar Energy Solutions PNG - Haier	15%
Solar Energy Solutions PNG - Leadsun	10%
Solar Energy Solutions PNG - Sentinel	10%
SR Curio Investments Ltd	16%
Tandoor on the Harbour	10%
Tasty Bite	10%
The Shady Rest Hotel	10%
The Stanley Hotel & Suites	5%
Theodist Ltd	10%
Trends Beauty International	10%
Wellness	5%
2fast Motors	10%

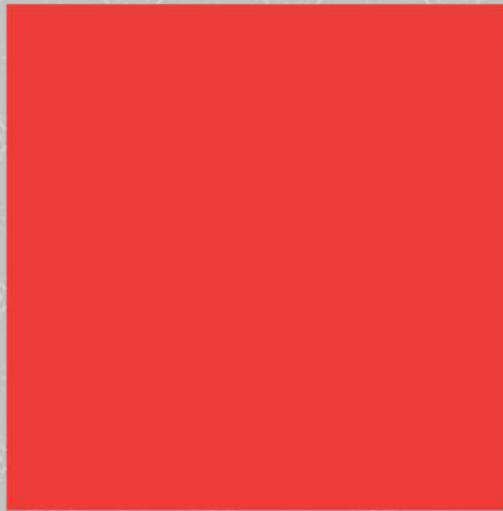
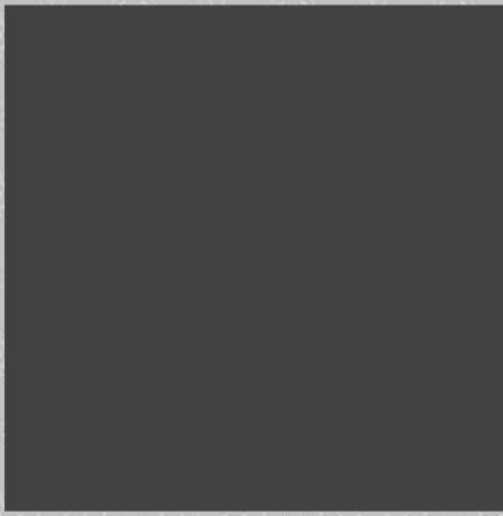
Lae	Discount
AGD Printing Ltd	25%
BNBM Homecentre	10%
Brian Bell & Co. Ltd	15%
Brian Bell Chemicals	15%
Brian Bell Electrical	15%
Chin H Meen & Sons Ltd	10%
Lae International Hotel	10%-15%
Masslift New Guinea	10%
Nesian Beauty	20%
Niugini Builders Suppliers Ltd	5%
Niugini Electrical Company	12.50%
Phils Hotel	5%
PNG Pipemakers Ltd	5%
Theodist Ltd	10%
Mt Hagen	Discount
Brian Bell & Co. Ltd	15%
Brian Bell Chemicals	15%
Country Farmers Hardware	5%
FU Qing GOR Trading	5%
Gilsenan Melpa Ltd	10%
Hagen Airport Motel	5%
Jiwaka Mission Resort	5%
Kiminiga Hotel - Accommodation	15%
Kiminiga Hotel - Meals	20%
Magani Motor Services	5%
McRoyal Hotel	10%
Mountain Plumbing & Hardware Supplies	15%
Mt Wilhelm Hotel	5%
Mt William Hotel	5%
PIH - Mt Hagen	10%-50%
Poiyo Ltd	5%
Shir Shar Computing & Electronics	15%
Steel Works	10%
Total Homes Ltd	5%
Kokopo	Discount
Barlow Industries	3%
Brian Bell & Co. Ltd	15%
Brian Bell Chemicals	15%
Electrical Services Suppliers	6.5%
Hongland Hardware	10%
Plumbers & Builders Suppliers	6.5%
Rabaul Refrigeration Services	6.5%
Kimbe	Discount
Able Computing (PNG) Ltd	10%
BNBM Hardware & Homecentre	5%
Kimbe Bay Hotel	10%
Kimbe Bay Shipping Agencies	12%
Liamo Reef Resort	10%
Madang	Discount
Brian Bell & Co. Ltd	15%
Brian Bell Chemicals	15%
Ela Enterprise	10%
Jais Aben	15%
Madang Resort	10%
Surpass Investment	5%
Alotau	Discount
Milne Bay Hardware	15%
Samarai Plastics	10%

Goroka	Discount
Brian Bell & Co. Ltd	15%
Brian Bell Chemicals	15%
Bulldog Supplies	5%
KKB/Kainantu Lodge	5%
Pacific Gardens Hotel	15%
Wewak	Discount
Leon Hardware	10%
Seaview Hotel	10%
Wabag	Discount
Ribito Hotel Ltd	5%
Lihir	Discount
Anitua Hardware	10%
Awella Books & Stationary	5%
Kavieng	Discount
Bisi Trading Ltd	5%-8%
Huilong Enterprise Ltd	5%-10%
Island Builders Suppliers	10%
Joseph Tongs & Co.	5%
Kavieng Hotel	15%
PMM (Cofgro No. 35) Ltd	15%
Red Star Investment Ltd	10%
Tabubil	Discount
Brian Bell Chemicals	15%
Camp Administration	10%
LBL Retail Shop	10%
New Century Ltd	10%
Poro Point	10%
Unique Hardware	10%
Western Medicare Clinic	10%
WP Constructions Ltd	15%
Kiunga	Discount
Dynamic Engineering & Construction Ltd - Electrical	15%
Dynamic Engineering & Construction Ltd - Hardware	12%
Dynamic Engineering & Construction Ltd - Timber	10%
Unique Hardware	10%
WP Constructions Ltd	15%
Vanimo	Discount
Aung Myae Ltd	10%
Lin S Trading Ltd	10%
Vanimo Forest Products	5%
Kundiawa	Discount
Etnambo Builders	10%
Manus	Discount
Handyman Homecentre Shop	7%
Juromo Enterprise	10%
Kingfisher Lodge	10%
Physique Ltd	10%-15%
Tapo's Lodge & Tours	5%
Bialla	Discount
Dominant Trading Ltd	10%
New Town Store Hardware	3%
Protonjar Consultancy	5%
Bialla Staywell Lodge	3%
Huvi Guest House	10%
Buka	Discount
Silaragu & Sons Ltd	5%

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Branches nationwide



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