



Cook Islands National Superannuation Fund

**Annual Report of the Trustee to the Members
for the year ended 31 December 2004**

Trustee Report

Introduction

The Trustee is pleased to present to Members of the Cook Islands National Superannuation Fund the Trustee Report for the year ended 31 December 2004. The Trustee Report is produced to keep you informed of the Fund's financial results during the year and your investment in the Fund. Trustee Reports to Members will be issued annually.

Attached to the Trustee Report is your personal Status Report which lists the value of your benefits as at 31 December 2004.

How the Fund Works

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

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

The Fund also provides Members with life insurance cover. The Government is currently paying costs associated with life insurance cover and administration fees.

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

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

disclosed in the original Members Handbook. At Normal Retirement Age 60 the pension rate payable has reduced from \$80 to \$72. The recommendation was accepted by the Trustee and the Board as being in the best interests of the Fund. A full list of the Pension rates is available from the Chief Executive Officer.

Investments

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

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

Russell World Shares Fund

Objective

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

Australasia	22%
North America	45%
Other	33%

(Note: No change in allocations from 2003)

Russell World Bond Fund

Objective

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

Market Exposure

New Zealand	59% (2003 - 61%)
Overseas	41% (2003 - 39%)

Investment Performance

For the year to 31 December 2004, the Fund produced an overall investment return of 8.2% (2003 - 8.5%).

For the year under review a 6.0% return (2003 - 6.0%) has been credited to Member Accounts and the balance of the operating profit has been transferred to the Reserve Account.

Pension Rates

An Actuarial Review of the Fund has recommended alteration to the pension rates payable as set out in the Trust Deed and

Amendments to Trust Deed

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

Trustee's Certificate

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

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

Philip Dyer
General Manager – Corporate Trustee Services
Public Trust

Directory

BOARD

Kevin Carr (Chairman of the Board) – Financial Secretary
(email finsec@oyster.net.ck)
Miriama Pierre – Cook Islands Workers Association
(email ciwa@oyster.net.ck)
Pa Epi Mana – Non-Chamber Employers
(email pa@omia.gov.ck)
Brent Weenink – Chamber Employers
(email weenink@oyster.net.ck)

TRUSTEE

Public Trust
P O Box 5067
Wellington
(Website www.trustee.co.nz)

ADMINISTRATION MANAGER

TOWER Managed Funds Limited
P O Box 4049
Wellington
(Website www.towerfunds.co.nz)

INVESTMENT MANAGER

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

INSURER

AXA New Zealand
(Website www.axa.co.nz)

AUDITOR

Deloitte
P O Box 1990
Wellington

ENQUIRIES OR CORRESPONDENCE

Taukea Raui
Chief Executive Officer
P O Box 3076
Rarotonga
Cook Islands
Phone 00682 25515
Facsimile 00682 26615
Email ceo@superfund.gov.ck

Account Summary

	2004 \$	2003 \$
Balance at the beginning of the year	3,270,408	911,672
Income		
Member Contributions	1,120,654	1,129,675
Company Contributions	1,057,913	1,087,233
Change in Net Market Value of Investments	40,078	25,881
Investment Distributions	359,462	168,918
Management Fee Rebate	32,295	12,235
Investment management Fees	(76,202)	(36,215)
Insurance Proceeds	97,115	38,560
Total Income	2,631,315	2,426,287
Expenditure		
Bank Charges	301	416
Member withdrawals	147,888	67,135
Total Expenditure	148,189	67,551
NET ASSETS AVAILABLE AS AT 31 DECEMBER	5,753,534	3,270,408

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

MEMBERSHIP

As at 1 JANUARY 2004	1601
New Entrants	191
Transfers in	-
Retirements	3
Withdrawals	16
Deaths	5
Disabilities	-
Ill Health	-
Transfers Out	-
As at 31 DECEMBER 2004	1768