

ANNUAL REPORT

# Aon Master Trust (PNG) 2019



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# About the Aon Master Trust (PNG)

The Aon Master Trust PNG ('the Trust') is the only superannuation Fund in Papua New Guinea which offers members an investment choice through currency selection.

There are two sub-funds in which members may choose to place their superannuation contributions:

**Papua New Guinea** – the Kina Sub-Fund

**Australia** – the AUD Sub-Fund

Membership may be in either or both:

# 1

## Employer superannuation

For employees of companies who are mandated or volunteer to make contributions.

# 2

## Voluntary superannuation

For self-employed and other individuals who elect to make voluntary contributions; and/or employees of companies that do not contribute to the Trust.

Members may choose to change currencies once a year. The currency risk and exposure is borne directly by the individual and not the Trust.

This information contained in this report is general in nature and should not be relied on as advice (personal or otherwise) because your personal needs, objectives and financial situation have not been considered. You may want to seek independent financial advice before making any decisions about your superannuation.



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# A note from the Chairman

It is with pleasure that I am pleased to present to members and employer contributors the 2019 Aon Master Trust Annual Report.

Following significant regulatory change and shifts in financial growth in both the domestic and Australian economies, it is important to note that the Aon Master Trust has adapted to these different dynamics in the best interest possible of all members and contributors.

As will be noted from the results of the Aon Master Trust AUD Sub-Fund and Kina Sub-Fund the performance has been positive despite reduced activity in the domestic equities market and interest rate cuts in the Australian and international markets.

In the current environment, the Aon Master Trust is committed to maintain forward and upward momentum in its investment strategy. In this regard, I would like to extend gratitude my fellow Directors and the staff for their continuing adherence to the Aon Master Trust objectives on behalf of all member stakeholders.

## Domestic Economy

A rebound in the resources sector by 14%, following the February 2018 earthquake provided an overall surge in PNG growth to 5.0% for the year, according to the 2020 budget projections. Despite this surge domestic demand was sluggish, as confirmed by a shortfall in non-resources tax revenue and lower average inflation of 4.4%.

The Marape-Steven Government 2020 budget was built around the theme “Take Back PNG”. The budget aims to continue the process of fiscal consolidation and reduce the cash deficit as well as the overall debt to GDP ratio. Meanwhile, the Government plans to increase capital spending over the next four years by 100% from K4.7 billion in 2019. It should be noted that PNG’s reliance on the resources sector poses a huge downside risk for delivery of the budget forecasts.

Treasury bond auctions across 2019 were over-subscribed by almost 2 times yet the Fund was successful in bidding for K33m. In total investor demand enabled the Department of Treasury (DoT) through the Central Bank (CB) to issue K561m in bonds, well above initial planned issuance of K458m. The bond yields achieved by investors were markedly lower compared to similar auctions conducted in 2018. While this shift was driven by local demand dynamics it is also consistent with the falling yield trend seen in Australia throughout 2019.

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## Australian Economy

Growth in the Australian economy slowed considerably in 2019, falling from an annual growth rate of 2.7% in 2018 to 2.2% in 2019. Domestic final demand in 2019 grew at less than half the rate observed in 2018, even though the unemployment rate was as low as 4.9% in February 2019.

Growing concerns over international economic conditions was highlighted by the reversal of the US Federal Reserve's longstanding rate tightening stance, with a spate of interest rate cuts very late in the year. The Reserve Bank of Australia (RBA) also cut its target rate during the year. To some extent this was a response international weakness, however more pressing was Australian growth remaining moderate and inflation stubbornly below the Reserve Bank of Australia's target range of 2-3%. In response the RBA moved the cash rate down in stages from 1.5% to 0.75% by October.

## Equities Overview

As of 31 December 2019, 13 companies were listed on the PNG Exchange (PNGX) Limited down from 14 companies in 2018. Of these four dominated the market, representing 88% of the total trades in 2019.

The shares of most companies finished the year in positive territory with BSP, the largest company, closing at its record share price level. Several stocks listed on both the PNGX and the ASX experienced abnormal returns as their price on the PNGX was adjusted by PNGX to match the ASX price. This adjustment should be viewed as a catch-up of share gains already made, rather than a change in the company's prospects.

## 1. Aon Master Trust Fund Performance

### 1.1 AUD Sub – Fund

The Aon Master Trust AUD Sub-Fund is a “defensive” fund and only invests in Australian cash and fixed interest focussed assets.

Its investment objective is to deliver a positive annual return over and above a benchmark based upon the average 30-day Kina deposit rates of the three main commercial banks in Papua New Guinea (BSP, ANZ & Westpac). The benchmark has improved in 2019 however the return on AUD cash and new term deposits fell markedly across 2019, as the Reserve Bank of Australia reduced its cash rate over the year.

Given the reduced return available from lower risk AUD securities, the AUD Sub-Fund delivered a total return of 3.37%, before expenses for the year which was below the benchmark which returned 4.32% for the year. The directors intend to replace the benchmark with a new benchmark dominated in AUD, to provide a fairer appraisal of the investment strategy.

### 1.2 Kina Sub-Fund

The Aon Master Trust Kina Sub-Fund has a “moderate” investment strategy which invests mainly in PNG Government bonds and securities held to maturity, with a small allocation to listed shares. Its objective is to deliver a positive return of at least 1% p.a. above the Kina Facility Rate over rolling 3 years periods.

Investments held in PNG Government issued bonds have driven the sub-fund's outperformance of its investment objective. Its listed shareholdings had an impressive performance in 2019 greatly assisted the Kina Sub-Fund portfolio to a return of 10.98%, before expenses, compared to its investment objective of 6.45% (Kina Facility Rate (5.45%) + 1%).

- The economic commentary has been provided by the Aon Master Trust (PNG) Investment Manager BSP Capital Limited<sup>1</sup>.

<sup>1</sup> All information and advice is confidential and for the private information of the person to whom it is intended and is provided without any responsibility or liability on any account whatsoever on the part of BSP Capital or any member or employee thereof.

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# The Aon Master Trust (PNG)

Established in 1992, the Aon Master Trust PNG ('the Trust') is licensed by the Bank of Papua New Guinea as an Authorised Superannuation Fund ('ASF') under the Superannuation (General Provisions) Act 2000 ('the Act'). The Trustee of the Aon Master Trust is Aon Superannuation (PNG) Limited.

Aon Hewitt (PNG) Limited has been appointed as the Licensed Fund Administrator, responsible for the back-office functions of the Trust, managing the day-to-day receipting of contributions, withdrawals and allocation of members' funds.

BSP Capital Limited, a wholly owned subsidiary of Bank South Pacific, is appointed by the Trustee as the Licensed Investment Manager. The Trustee and BSP Capital are responsible for the management of assets for the Trust.



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# Administrator's Report

## New Kimbe Branch – "A Two Woman Team"

In April 2019, Aon Master Trust opened the new Kimbe office to service the NBPOL Palm Supa members. Lillyrose Komboi from the Aon Port Moresby office was relocated to oversee the running of the branch, Fidelma Vovola a former NBPOL staff was the only other officer to support Lilly serving over 100 members daily. Since the opening of the office, we have served well over 19,000 members who were happy that we brought this service closer to them.

Our branch also assists other Aon Master Trust members and welcome potential members to the branch.

## Beneficiaries

The Fund wishes to emphasise the importance of keeping your beneficiaries up to day, we cannot stress that enough. As Administrators of the Fund we want to ensure that your beneficiary details must be kept up to date when your circumstances change. We encourage our members to view their latest statement by checking the member portal or calling our toll-free number.

## Communications

Communications is an important tool to reach our members or for our members to reach out to us. In 2019 the following communication tools were deployed:

- Toll-free number 180 5100 was established in late 2019. This is a free line and we encourage members to communicate using this line.
- Member Portal – The inclusion of our statements and letters was rolled out in 2019 from our administration system PPP this will enable our members to view and print these important documents. If you have not registered please call our toll-free number or email an officer from the Fund Administration Team.

If any members have any queries or questions, you may contact our team.

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*On behalf of the management*

*Anne Wilson*

*Head of Superannuation Administration Service*

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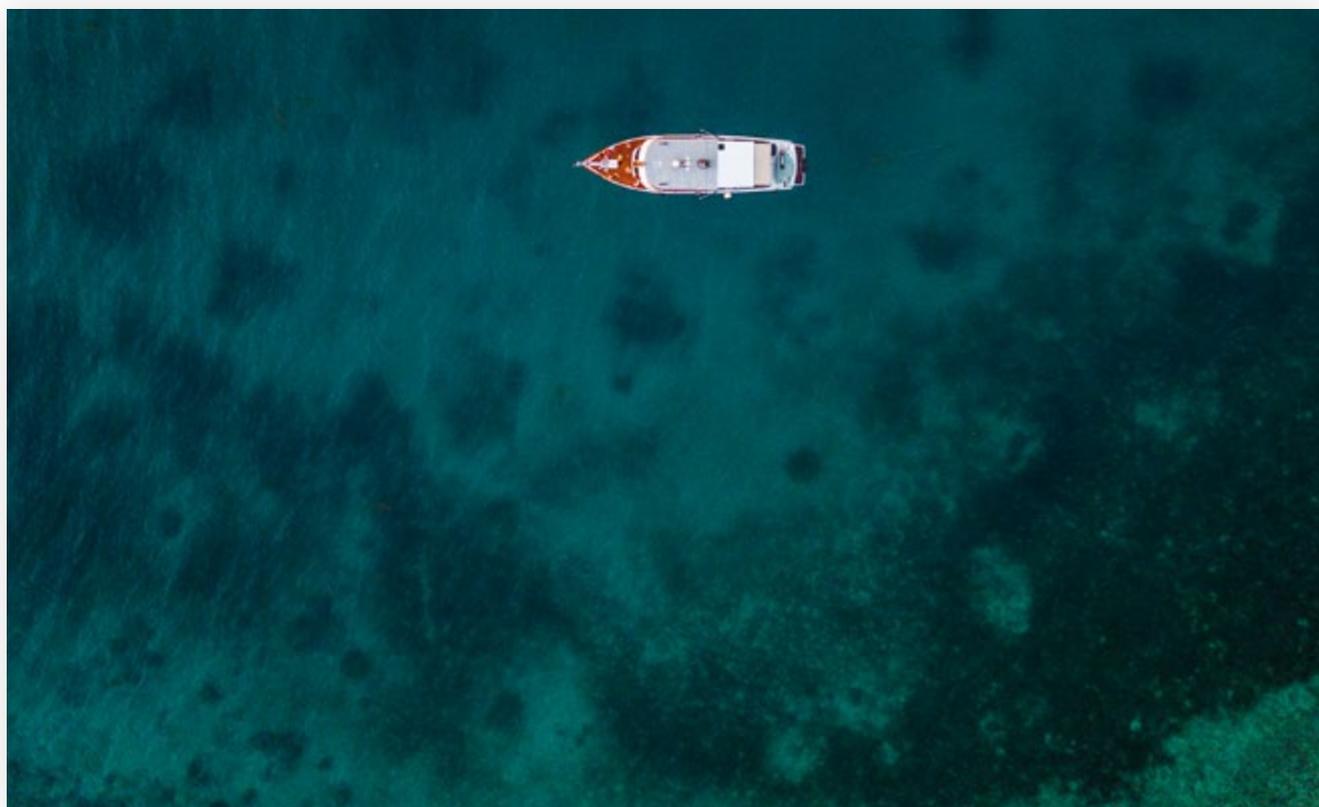
# The Highlights for 2019

## Membership

	Kina	AUD
End of Dec 2019	28,780	1,031
End of Dec 2018	29,765	1,042

## Assets Growth

	Kina	AUD
End of Dec 2019	212.9 million	130.7 million
End of Dec 2018	196.3 million	135.8 million



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# Investment objectives

## The objectives of the Trustee relating to investment for 2019:

“To provide members with Sub-Funds appropriate for their situation;

“To achieve investment returns commensurate with the investment objectives of each investment option”

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## The investment objective for the Kina Sub-Fund is:

“To provide a return at least 1% p.a. above the Kina Facility Rate over rolling three-year period.”

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## The investment objective for the AUD Sub-Fund is:

“To provide a positive annual return over and above the average 30 day deposit rates of the three main commercial banks in PNG.”

# Investment Strategy: Kina Sub-Fund

In 2019, the Kina Sub-Fund continued to implement a 'Moderate' investment strategy. This involved predominately investing in cash and fixed interest with some exposure to listed equity for capital growth and dividend yield.

The equity portfolio consists of shares trading on the Port Moresby Stock Exchange or the 'POMSoX'. Equity investments are chosen based on research that includes consideration of fundamental value and the sustainability of dividends. To the degree practicable, the equity portfolio is diversified across different companies and industries.

Due to the small number of stocks listed on the POMSoX, the Trustee has limited the percentages of assets that can be held in these investments to a maximum of 30%.

Diversification in the cash and fixed interest classes is achieved through holding securities from different issuers and with a spread of different maturity dates to mitigate reinvestment risk.

## Investment risks:

The Kina Sub-Fund members accept long-term investment risks. The returns credited to accumulation accounts reflect the movements in the investment markets. Accordingly, fluctuations in investment returns will directly affect benefits accruing to members.

## The Kina Sub-Fund - Moderate Investment Profile:

### Strategic Asset Allocation

Sector	Target (%)	Range (%)
Listed (POMSOX) Shares	5	0-30
Int'l Shares	0	0-30
Property	0	0-15
Alternative – Growth	0	0-15
<b>Total Growth</b>	<b>5</b>	<b>0-30</b>
Alternative – Defensive	0	0-20
Diversified Fixed Interest	90	30-95
Int'l Fixed Interest	0	0-30
Cash and Term Deposits	5	0 – 100
<b>Total Defensive</b>	<b>95</b>	<b>70-100</b>

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## Where are the Funds Invested?

Members' funds are carefully invested in line with a strategy which meets the investment strategy of the relevant sub-fund and in accordance with the legislative requirements of the Act.

The Trust restricts its fixed interest investments to those that have a grade equal to or greater than the sovereign rating of PNG. At present, PNG is rated by Standard & Poor's at B+/Positive/B for both local currency and foreign currency.

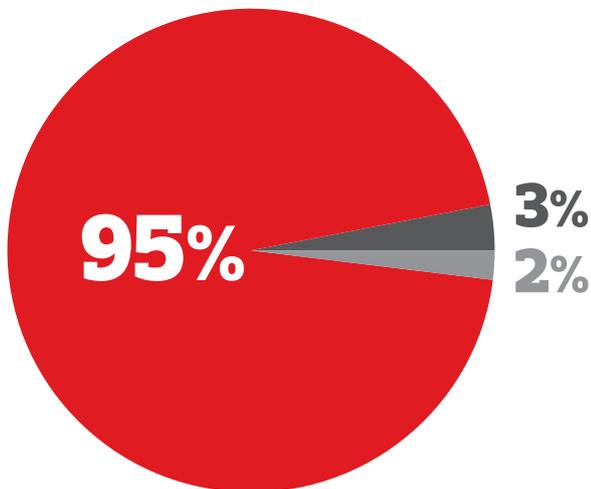
## The Kina Sub-Fund Asset Allocation as at 31st December 2019:

The Kina Sub-Fund invests mainly in fixed interest and listed equity. Fixed interest assets are comprised of PNG government inscribed stock and cash, and listed equity is comprised of stocks listed on the POMSoX.

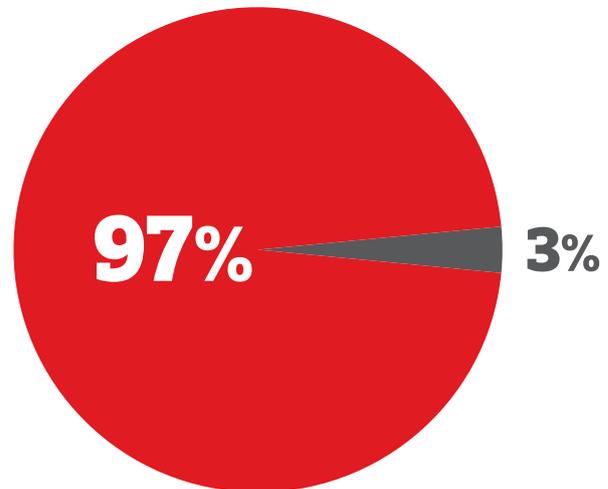
Details of the asset allocations at 31 December in the last two years are shown below.

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### Kina Investment Weightings - 2018



### Kina Investment Weightings - 2019



■ - INSCRIBED STOCKS   ■ - DOMESTIC EQUITIES   ■ - CASH

# Investment Strategy: AUD Sub-Fund

## AUD Sub-Fund

The AUD Sub-Fund maintained its 'Defensive' investment strategy in 2019. It invested only in cash and fixed interest securities. Diversification is achieved through investing across different issuers and maturity dates.

A defensive investment strategy looks to provide a modest return on investments in money market securities, term deposits, and fixed income securities with a very low risk of capital loss.

The AUD Sub-Fund's strategy is to invest in money market and fixed interest securities, with short-term and medium-term maturities, to achieve a very stable return and to ensure liquidity.

The broad allocation of assets is weighted with 40% in debt maturing in one year and term deposits and 60% in diversified fixed interest which can include debt maturing later than one year and off-shore investments.

## Investment risks

The AUD Sub-Fund members accept short-term investment risk. The returns credited to accounts reflect the movements in investment markets. Accordingly, fluctuations in investment returns directly affect benefits accruing to members.

## The AUD Sub-Fund - Defensive Investment Profile

Strategic Asset Allocation

Sector	Target (%)	Range (%)
Aust.Shares	0	0-20
Int'l Shares	0	0-20
Property	0	0-20
Alternative - Growth	0	0-20
<b>Total Growth</b>	<b>0</b>	<b>0-20</b>
Alternative - Defensive	0	0-20
Diversified Fixed Interest	60	0-70
Int'l Fixed Interest	0	0-20
Cash	40	30-100
<b>Total Defensive</b>	<b>100</b>	<b>80-100</b>

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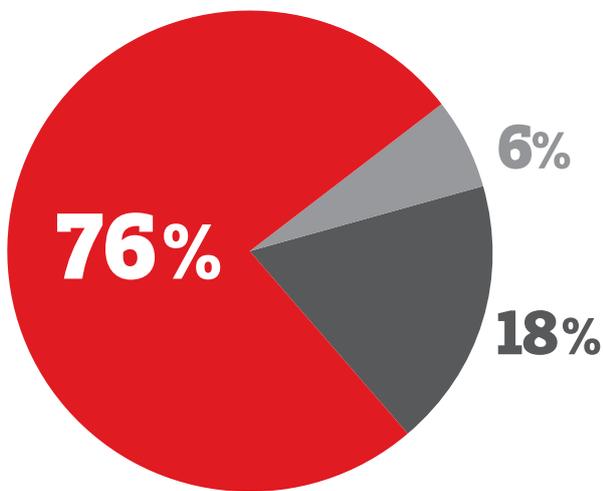
## Where Are the Funds Invested?

### The AUD Sub-Fund Asset Allocation as at 31st December 2019:

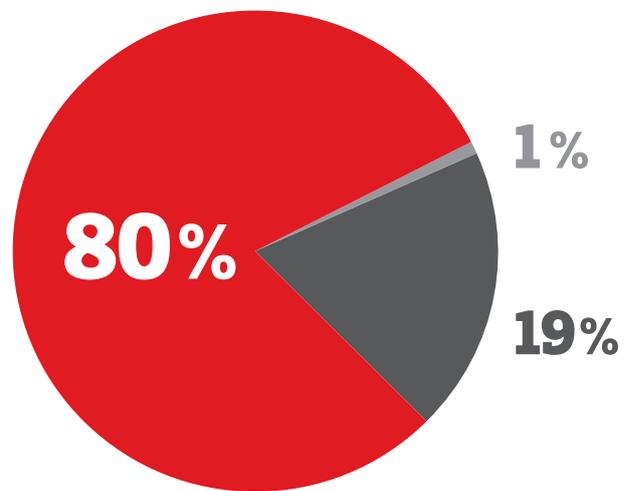
The AUD Sub-Fund invests in fixed interest and cash, including deposits only with commercial banking entities. Details of the asset allocations at 31 December in the last two years are shown below.

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**AUD Investment Weightings - 2018**



**AUD Investment Weightings - 2019**



■ - BANK SOUTH PACIFIC   ■ - CBA   ■ - CASH

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### Reserves

The Trust does not maintain a reserve account for the purposes of smoothing investment fluctuations.

# Kina Sub-Fund Financial Summary

This is a summary of the Trust's audited accounts for the Kina Sub-Fund for the year ended 31 December 2019. The net assets shown are the assets available to pay members' benefits as at 31 December 2019.

The Kina Sub-Fund's Financial Movement for 2019 year		
	2019 (K)	2018 (K)
<b>Opening balance at 1 January 2019</b>	<b>196,260,245</b>	<b>177,361,330</b>
	<i>plus</i>	<i>plus</i>
<b>Money received</b>		
Investment income	19,727,539	18,188,196
Contributions	40,435,705	43,584,904
<b>Total Income</b>	<b>60,163,244</b>	<b>61,773,100</b>
	<i>less</i>	<i>less</i>
<b>Money paid out</b>		
Benefits paid	35,119,690	34,306,049
Audit fees	84,813	73,540
Investment Management fees	393,464	420,000
Asset Fees	4,028,545	3,549,919
Other	509,840	820,448
Income tax expense	3,407,424	3,704,229
<b>Total expenses</b>	<b>43,543,776</b>	<b>42,874,185</b>
	<i>equals</i>	<i>equals</i>
<b>Closing balance at 31 December 2019</b>	<b>212,879,713</b>	<b>196,260,245</b>

The Kina Sub-Fund's Net Assets at 31 December 2019		
<b>Assets</b>		
Investments	208,275,374	184,750,636
Cash at bank	45,519	8,592,323
Receivables and others	6,933,143	5,043,627
<b>Total assets</b>	<b>215,254,036</b>	<b>198,386,586</b>
	<i>less</i>	<i>less</i>
<b>Payments due (liabilities)</b>		
Other creditors and accruals	1,760,864	1,450,392
Deferred Tax Liability	613,459	675,949
<b>Total payments due (liabilities)</b>	<b>2,374,323</b>	<b>2,126,341</b>
	<i>equals</i>	<i>equals</i>
<b>Net assets at 31 December 2019</b>	<b>212,879,713</b>	<b>196,260,245</b>

# AUD Sub-Fund Financial Summary

This is a summary of the Trust's audited accounts for the AUD Sub-Fund year ended 31 December 2019. The net assets shown are the assets available to pay members' benefits as at 31 December 2019.

The AUD Sub-Fund's Financial Movement for 2019 year		
	2019 (\$)	2018 (\$)
<b>Opening balance at 1 January 2019</b>	<b>\$135,767,184</b>	<b>132,006,644</b>
	<i>plus</i>	<i>plus</i>
<b>Money received</b>		
Investment income	4,245,515	4,375,267
Contributions	15,775,659	17,527,914
<b>Total Income</b>	<b>20,021,174</b>	<b>21,903,181</b>
	<i>less</i>	<i>less</i>
<b>Money paid out</b>		
Benefits paid	23,236,673	16,063,731
Administration Fees	50,015	49,569
Assets Fees	1,277,990	1,314,522
Audit Fees	36,024	30,023
Investment Management Fees	332,209	213,992
Other	84,501	453,695
Income tax expense	70,449	17,109
<b>Total expenses</b>	<b>25,087,861</b>	<b>18,142,641</b>
	<i>equals</i>	<i>equals</i>
<b>Closing balance at 31 December 2019</b>	<b>\$130,700,497</b>	<b>\$135,767,184</b>

The AUD Sub-Fund's Net Assets at 31 December 2019		
<b>Assets</b>		
Investments	124,307,071	126,426,845
Cash at bank	1,354,799	3,512,924
Receivables and others	5,166,123	6,095,208
<b>Total assets</b>	<b>130,827,993</b>	<b>136,034,977</b>
	<i>less</i>	<i>less</i>
<b>Payments due (liabilities)</b>		
Other creditors and accruals	258,959	370,021
Income Tax payable	-	-
Deferred Tax Liability	-131,463	-102,228
<b>Total payments due (liabilities)</b>	<b>127,496</b>	<b>267,793</b>
	<i>equals</i>	<i>equals</i>
<b>Net assets at 31 December 2019</b>	<b>130,700,497</b>	<b>135,767,184</b>

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# Withdrawals from the Aon Master Trust (PNG)

## Withdrawing your benefits

Members may be able to withdraw some or all their superannuation benefits depending on the applicable preservation status.

Under current legislation a member may also transfer their benefits to another superannuation fund in Papua New Guinea at any time.

## Payments

Unless a member meets one of the specified conditions of release, they cannot withdraw any other part of their benefit from the superannuation system until cessation of employment.

## Specified conditions of release:

### Resignation or Termination

A lump sum benefit is payable if a member resigns from employment. This amount will be equal to the sum of both the member and employer contribution account balances. Interest is calculated to the date of payment, less tax and administration fees.

A lump sum is payable where the following circumstances arise:

- Retirement: a member retires on or after the age of 55 years
- Disability: a member retires due to permanent and or total incapacity
- Emigration: a member emigrates from Papua New Guinea
- Transfer: a member opts to transfer to another ASF subject to legislation

Specific rules govern the payment of contributions to members upon emigration. The Act deals with two situations:

### Permanent emigration from PNG

Where a member permanently emigrates from PNG, his/her contributions will not be paid until one (1) year has elapsed since leaving his/her employer or the member reaches the age of 55, whichever occurs first.

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## Non-Citizen permanently leaving PNG

Where a non-citizen member permanently leaves PNG, his/her contributions will be paid in the following way:

- For contributions made prior to 31 December 2002: the Trust will pay out the member; and
- For contributions made from 1 January 2003: the Trust will pay out the member after one (1) year has lapsed since leaving his/her employer.

## Death

When a member dies, the Trust will pay out the balance of the member's and employer's contribution accounts including the accrued interest to date less tax and administration fees.

Benefits payable upon the death of a member will be paid to beneficiaries nominated by the member or as determined by the Trustee following receipt of satisfactory identification.

- Members should ensure their beneficiary details which appear on their annual statements are up to date.

## A partial withdrawal may occur for certain specified conditions of release:

### Housing Scheme

The Housing Scheme is a benefit offered to members who have contributed for a minimum of five (5) years and thus qualify to withdraw part of their contributions to assist with the purchase, construction or renovation of their homes.

### Unemployment

If a member is terminated from employment, the member will become entitled to withdraw their contributions if he or she has remained unemployed for a continuous period of 12 months or more pursuant to s90(1)(g) of the Act.

### Access to Benefits

When a member leaves the service of the employer, he or she should inform the Trustee how and where to pay their benefit. A member may do this by completing a Superannuation Benefit Transfer or Payment Request form. The administrator will send this form to the last known address along with an estimate of the benefit. A member should return the completed form to the administrator in order for payment to be arranged.

When the benefit payment instructions are received, the administrator will calculate and pay the benefit. The benefit will be calculated depending on the member's contribution, the employer's contribution, investment income (or losses), taxes, fees and charges.

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# Additional Superannuation Information

## Salary Packaging and Tax

As a general rule, remuneration planning aims to increase the employee's after-tax remuneration without increasing the after-tax cost to the employer. This can be achieved by the employer providing a remuneration package which includes a mix of salary, allowances and the provision of benefits. Salary packaging is a matter between the employer and the employee. The role of the Trustee is to manage the contributions, not decide what they will be.

Superannuation contributions made in respect of an employee will not be taxable to the employee at the time the contribution is made to an authorised super fund. However, distributions of an amount from a superannuation fund not exceeding a 'prescribed sum' to the employee will be taxable to the employee at a rate of 2% in the following circumstances:

- contributions have been made for the employee for at least 15 years;
- contributions have been made in respect of the employee for at least seven years and the employee is not less than fifty years of age;
- contributions have been made in respect of the employee for at least seven years and the employee is subject to enforced early retirement;
- death or total and permanent disablement; and
- to the extent of the amount of the prescribed sum accrued before 1 January 1993.

Where the distribution does not qualify for the 2% tax rate it is taxed at the employee's marginal income tax rate. If an employee has contributed for more than 5 years but less than 9 years, the tax rate is 15% and if the employee has contributed for more than 9 years but less than 15 years, the tax rate is 8%.

Contributions to a superannuation fund will generally be deductible to an employer so long as:

- the year's contribution in respect of a particular employee does not exceed 15% of the employee's fully taxed salary or wages for the year;
- the superannuation fund is a resident of PNG; and
- the superannuation fund is an Authorised Superannuation Fund ('ASF').

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## Important! Updating Dependants

It is important for members to update their dependants should their personal circumstances change due to events like marriage, divorce or childbirth. A member's dependants are their spouse, children and can also include anyone financially dependent on the member.

Where there are no identifiable legal dependants, the benefit will usually be paid to the member's estate. The payment of the death benefit is at the Trustee's discretion, although the Trustee will take the deceased member's preferences into account when deciding who will receive the benefit. For this reason, it is important to keep an up to date Will.

Please contact Aon to obtain the necessary forms to update your details.

## Additional superannuation information

### Updates to Member Address

Members are required to notify the Trust whenever you change employment to ensure member statements are forwarded to the correct address.

Please contact the Aon Master Trust Administration Team to update your address.

### Member Portal

If you are an existing member with the Fund we encourage you to register on our member portal.

Please contact the Aon Master Trust Administration Team to receive the user guide.

### Contributions

Members can make a contribution as a cheque payment or a direct deposit into the Trust account (see the fund administrator for account details). Remittances must always be sent to inform the Trust/Fund Administrator of the payments made, to ensure payments are processed in a timely manner. Contributions made during January to June in any year will appear in the half-yearly statement. All contributions received in a calendar year will appear on the annual statement.

Access to other financial products for an Aon Master Trust member:

- Financial Planning (members should speak to the fund administrator for more information); and
- Insurance products are available for Aon Master Trust members through our Risk office.

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## Enquiries & Complaints

The Trust has a procedure for dealing with enquiries and complaints in accordance with section 49B of the Superannuation (General Provisions) Act 2000.

If you are a member of the Trust or a beneficiary of a member or an employer that contributes to the Trust we will try to respond to your enquiry or complaint as soon as possible.

### Most enquiries or complaints:

If you have an enquiry or complaint, please contact our administrator (see page 18 for contact details).

Normally the administrator will be able to answer quickly. If it cannot respond quickly, it will:

- ask you to make your complaint in writing;
- acknowledge in writing to you that it has received your complaint within 7 days of receipt; and
- refer it to the Trust's internal complaints resolution committee.

### Our internal complaints resolution committee:

This committee includes all trustee directors. If it reviews your complaint it will try to resolve it as soon as possible. It will advise you in writing of its decision within 7 days of making a decision. If it cannot make a decision to resolve the matter it will advise you within 90 days of receiving your complaint.

### External complaints resolution:

Under Section 49B of the Superannuation (General Provisions) Act 2000, the Trust must subscribe to an industry funded complaints resolution process satisfactory to the Central Bank. This is the Complaints Committee of the Association of Superannuation Funds of Papua New Guinea (ASFPNG).

If you complain to the Complaints Committee, it will normally refer you to the internal complaints resolution committee if you have not already done so. If you have already complained to the internal complaints resolution committee and are not satisfied with its decision, the Complaints Committee will act.

### Actions of ASFPNG Complaints Committee:

The process that the Complaints Committee will take is set out at [www.asfpng.org](http://www.asfpng.org). You can contact the Complaints Committee or ask for a copy of their guidelines by writing to ASFPNG, Level 2, BSP Haus, Konedobu, NCD, Port Moresby or you can telephone: 320 1225.

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# Compliance

The Trustee has managed the Trust in accordance with the Trust Deed and relevant law. No penalties have been imposed on the Trust and/or the Trustee for non-compliance during 2019.

## Prudential Standard requirements ASF 1/2014 Authorised Superannuation Fund Investments

### Interim Crediting Rate Policy

At least quarterly, or more often at the request of the Trustee, calculations are made of the estimated values of each Sub-Funds assets, the investment returns achieved since the last annual review date and the expectations of the returns likely to be earned for the remainder of the year. Based on these calculations the Administrator proposes the Interim Crediting Rate that should apply for each Sub-Fund in that quarter. To view the policy please log into the Aon Master Trust website or access the member portal.

### Annual Crediting Rate Policy

The recommended Annual Crediting Rate for each Sub-Fund is advised to the Trustee Board, which also meets with the auditor to review the draft annual accounts for each Sub-Fund and the auditor's opinions on the accounts and any other relevant matters. The Trustee then determines to adopt and sign the accounts for each fund and approves the Annual Crediting Rate for each Sub-Fund.

### Trust deed changes and significant events

During 2019, there were no amendments to the Trust Deed governing the operation of the Trust.

### Legislative changes

In 2019, there were no new legislative changes.

### Access to information

Members may contact the Administrator to access further information (including a copy of the Financial Statements of the Trust). The relevant contact details are on the back page of this report.

## Trustee Board

The Trustee of the Aon Master Trust PNG is Aon Superannuation (PNG) Limited.

The Trustee directors in the year 2019 were:

- John Beattie, Independent Director and Chairman
- Jenny Dean, Director and Chairperson Investment Committee
- Eima Alkheder, Director and Chairperson Remuneration Committee
- Jason Mcilvena, Independent Director and Chairman Audit Committee
- Anne Wilson, Director

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# Corporate Directory

## Trustee

### **Aon Superannuation (PNG) Limited**

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Papua New Guinea

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**Fax:** (675) 7999 5199

**Email:** [aonmastertrustpng@aon.com.pg](mailto:aonmastertrustpng@aon.com.pg)

## Licenced Fund Administrator

### **Aon Hewitt (PNG) Limited**

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## Trust Auditors

### **Pricewaterhouse Coopers**

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## Licenced Investment Manager

### **BSP Capital Limited**

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