



# Employer Conference 2021

Wednesday 14 April, 2021

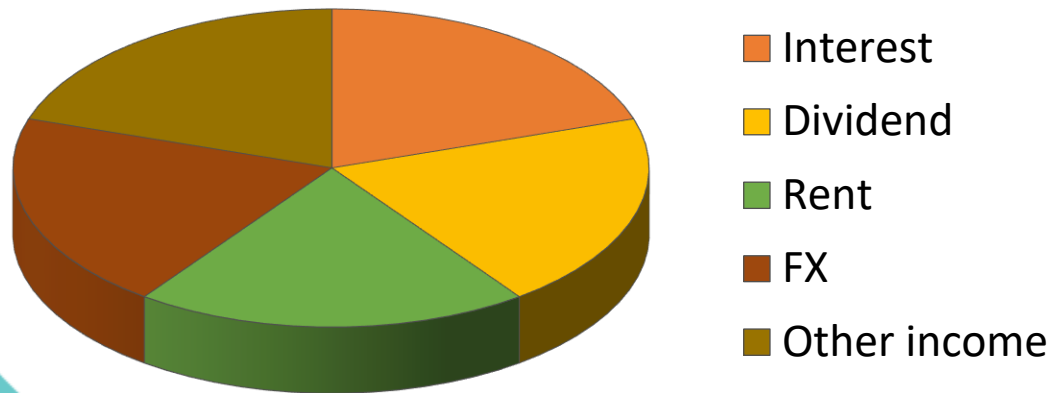
**Nasfund Boardroom: Level 4, BSP Haus,  
Harbour City, Port Moresby**



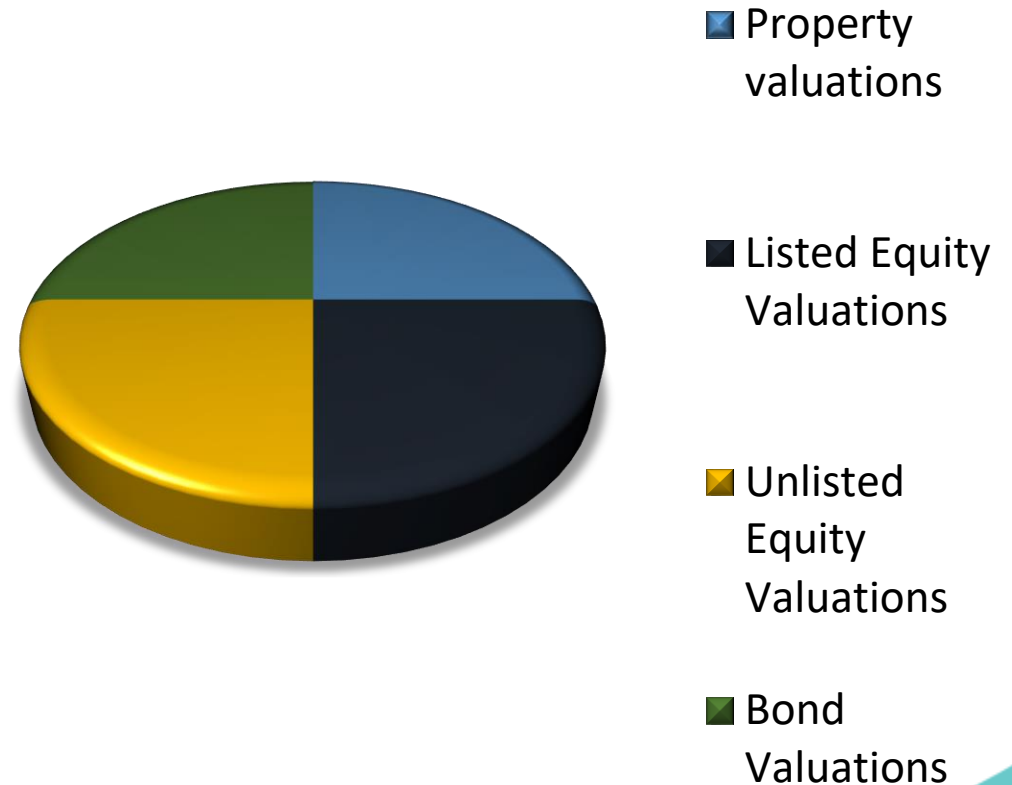
**Rajeev Sharma**  
Chief Finance Officer

# Nasfund Performance

## Cash Income



## Valuation Income



# External Factors

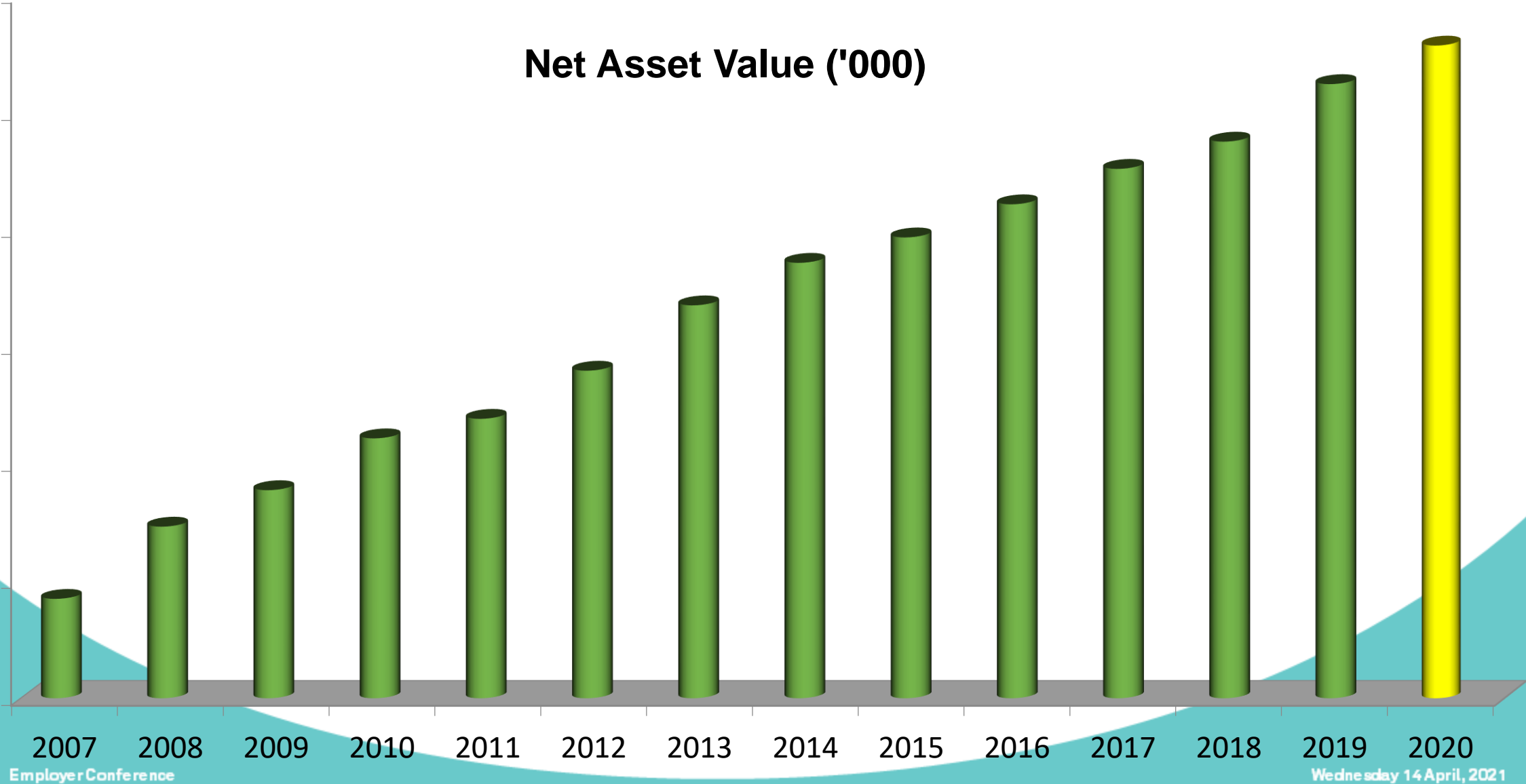
- COVID 19 - Economic slow down – once in century event - Equity markets went for nose dive, unfavourable exchange rate and no economic activity
- Delay in resource project –
- Papua LNG ,Penyang, Wafi Golpu
- Pogera
- Ok Tedi impact

## What we did well in 2020

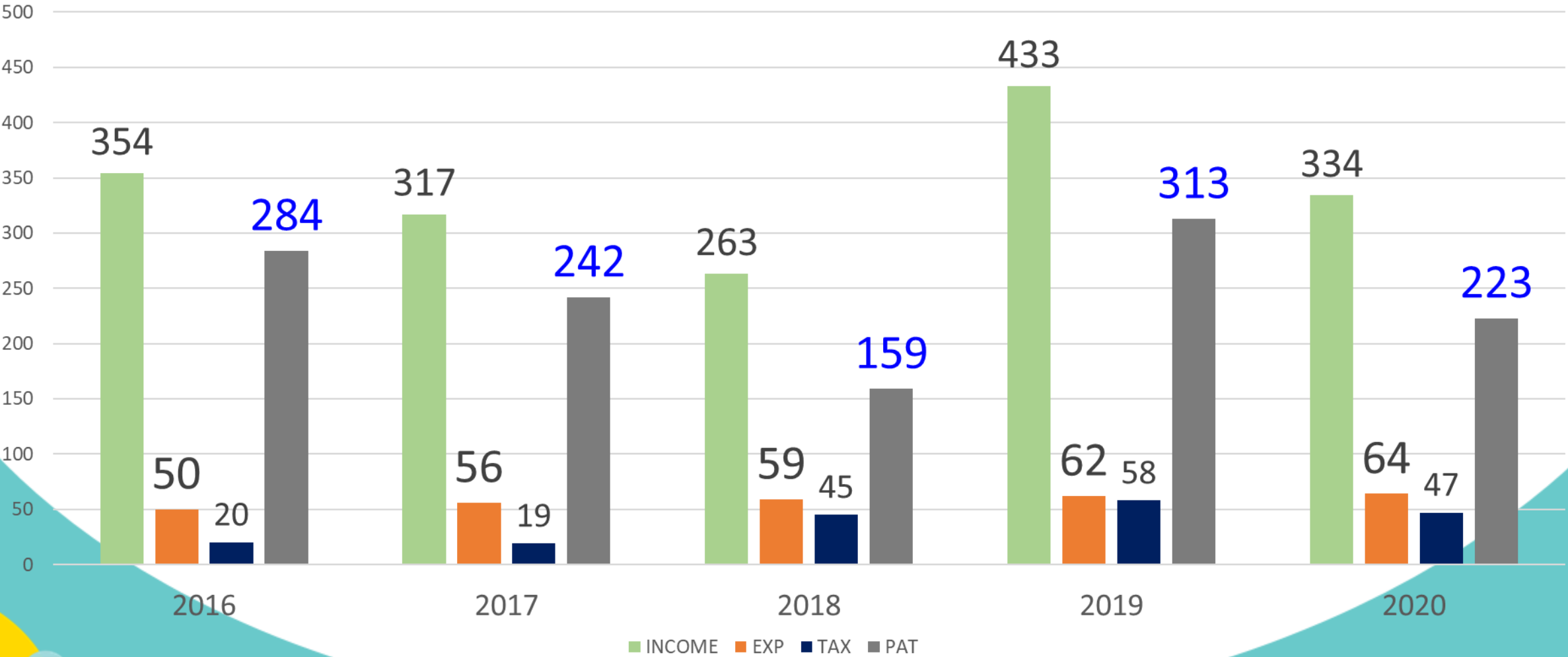


- Covid 19 : managed well - we were proactive in rolling out protocols , tested BCP , Used zoom for meetings and conferences
- Achieved Cash Budget for the year 2020 – managed expenses well
- Engaged with PM , TREASURAR , BPNG, Members during COVID time and updated with challenges and legislative changes
- Opened new branch – third in POM – to serve members better
- Rolled out new Nasfund logo

# Net Asset Value ('000)

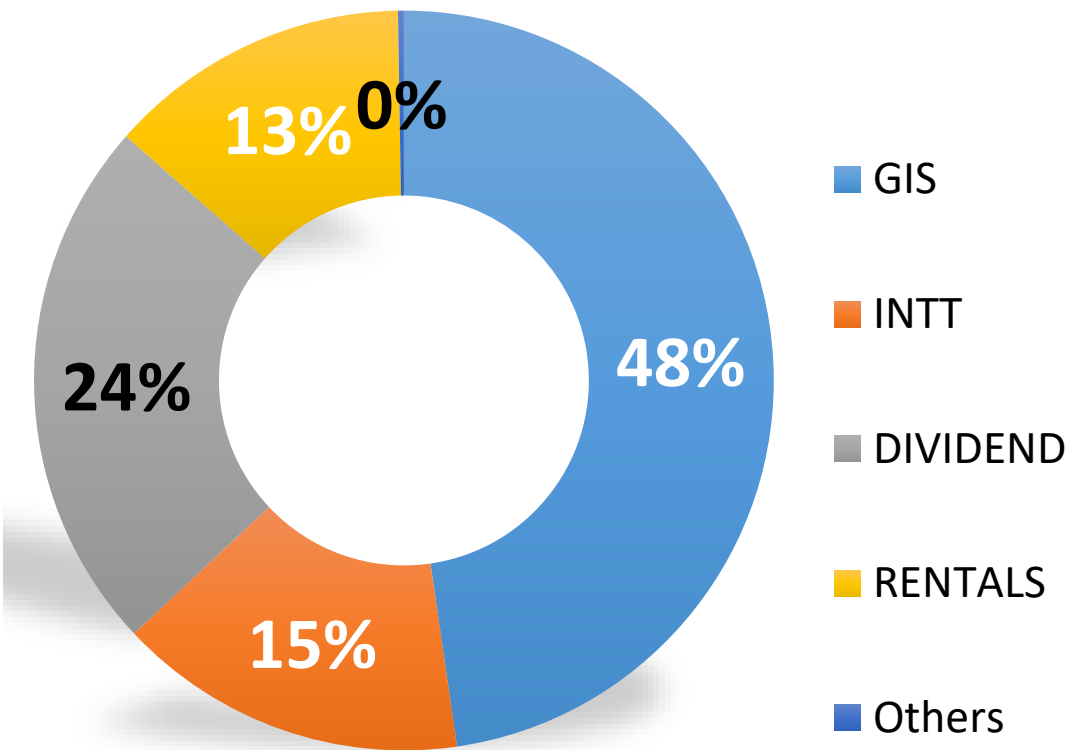


# Income (with VALS ), EXP, Tax and Surplus after Tax

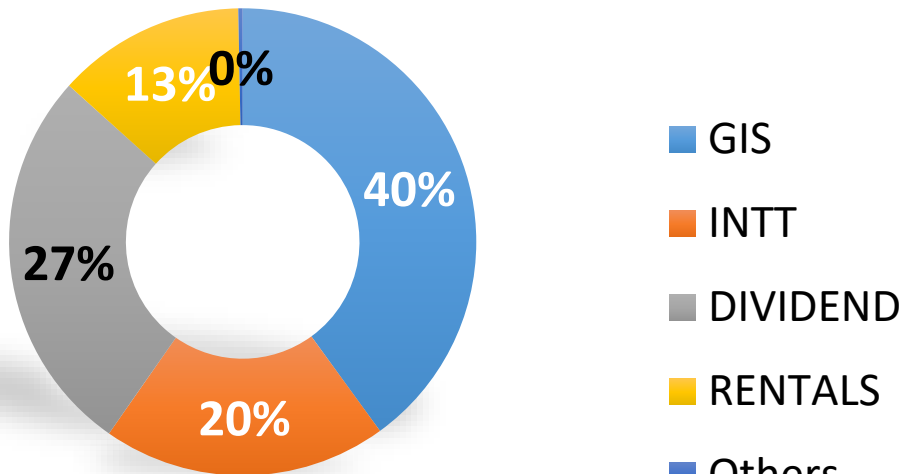


# Cash Income Distribution FY20, 19 and 18

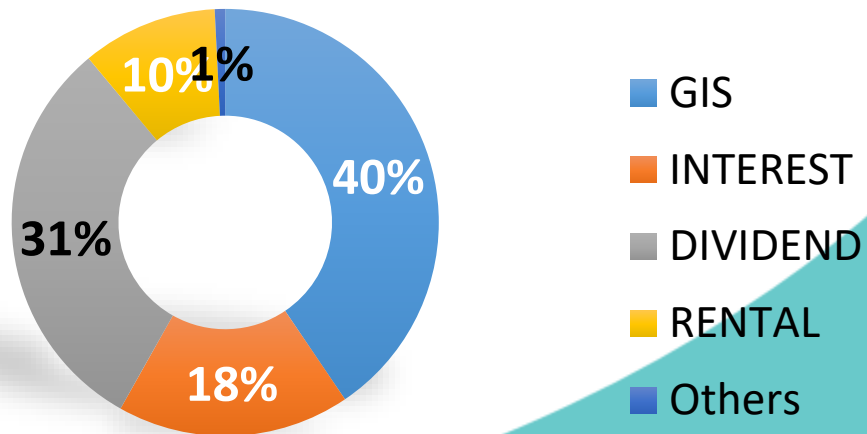
## GIS has grown from 40% to 48 % in FY 20



Income Distribution 2020



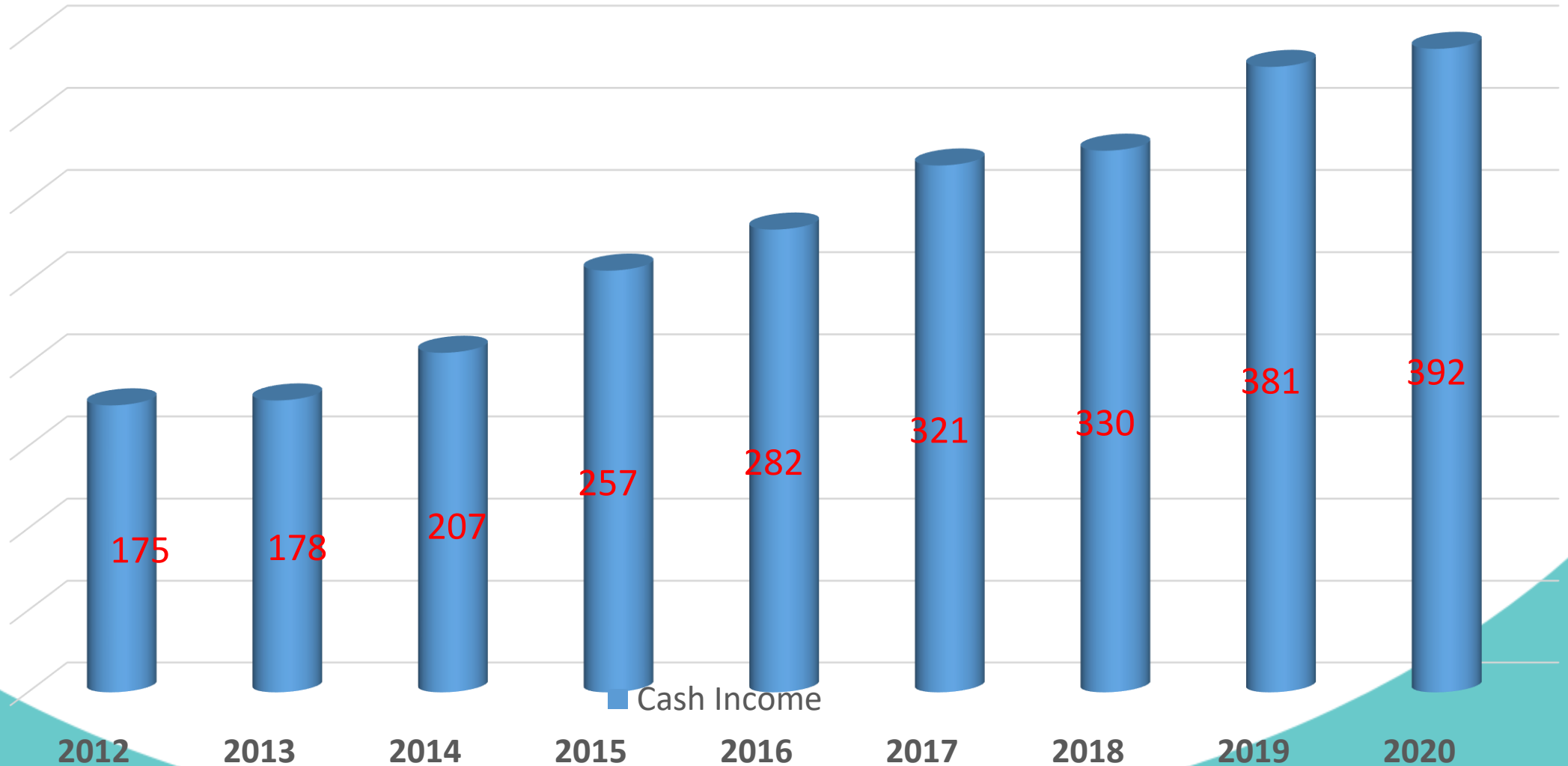
Income Distribution 2018



Income Distribution 2019



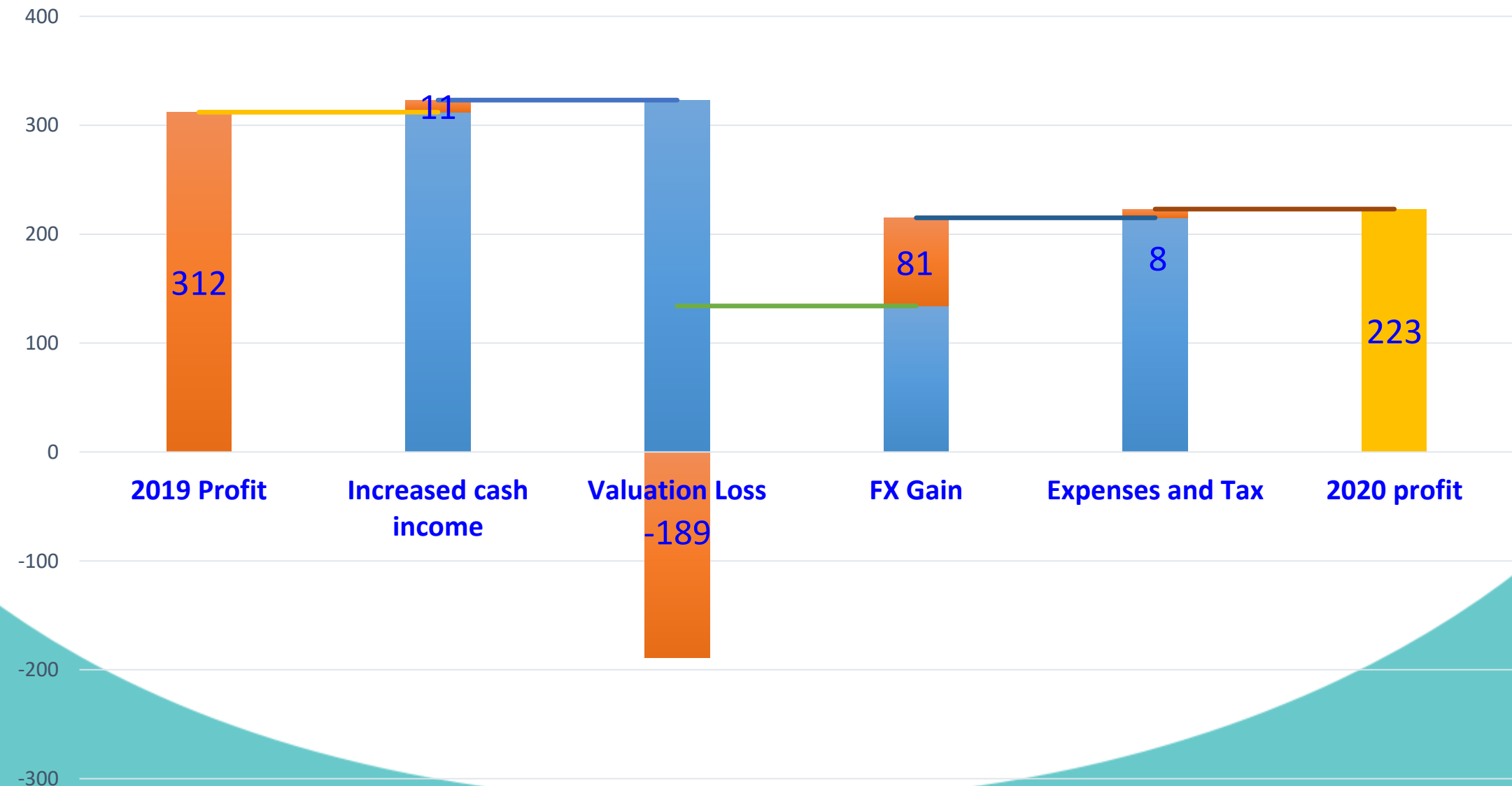
# Cash Income - Slower growth in FY 20 due to increased withdrawals, lower dividend and rental income



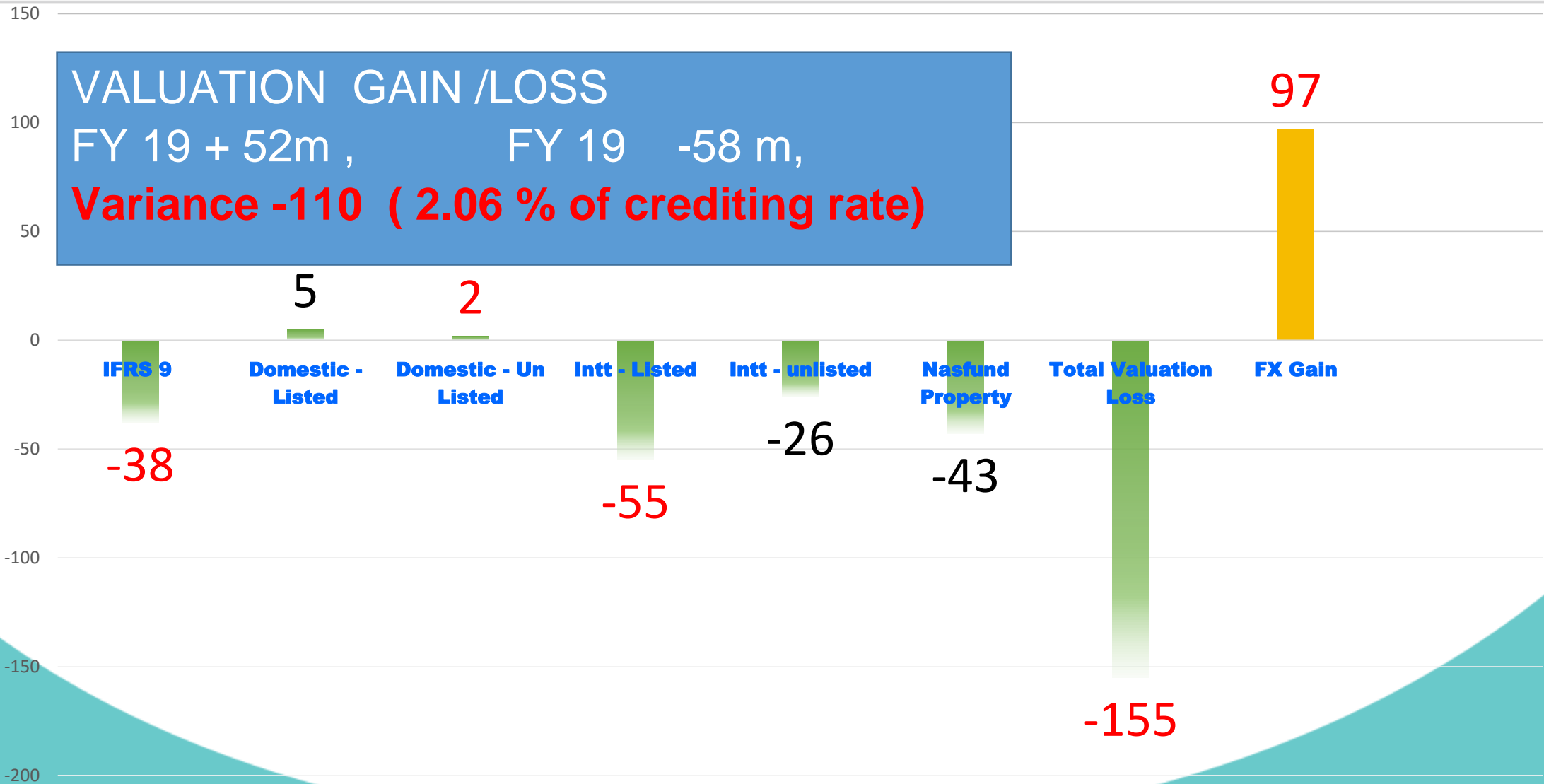
Cash and valuation income reflects state of PNG economy over period of time . During PNG LNG phase economy was booming - Had consistent growth in valuation income



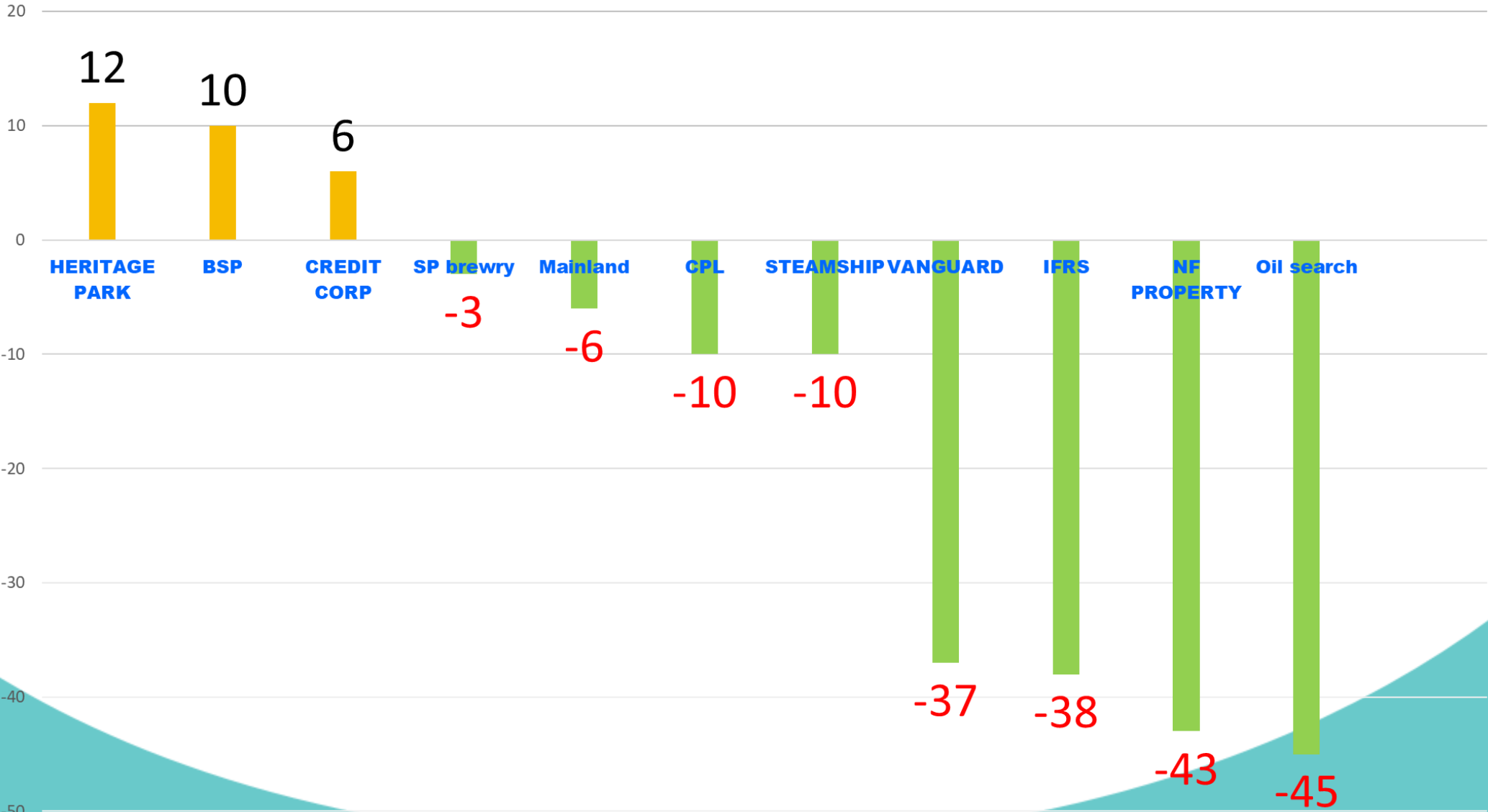
# Reasons for change in profit in FY 20 from FY 19



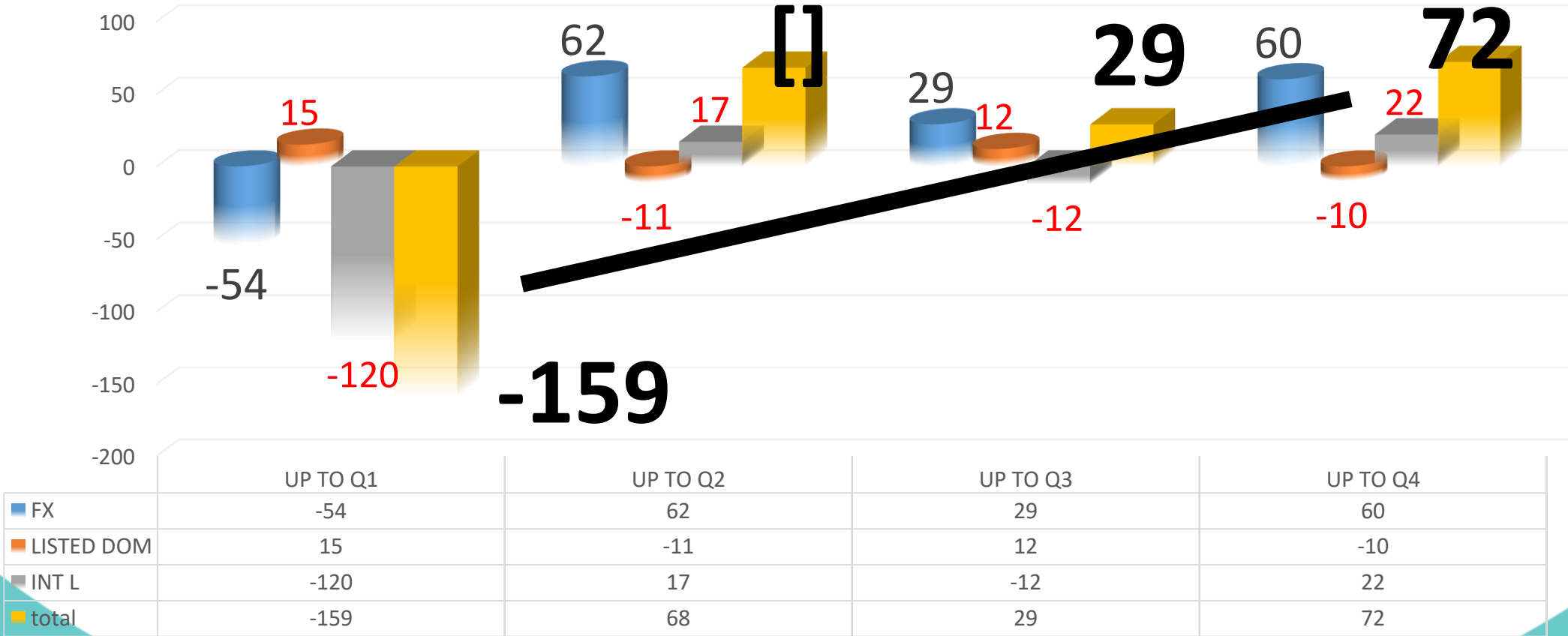
# Valuation Losses for FY 20



# Valuation – Major Gainers and Losers

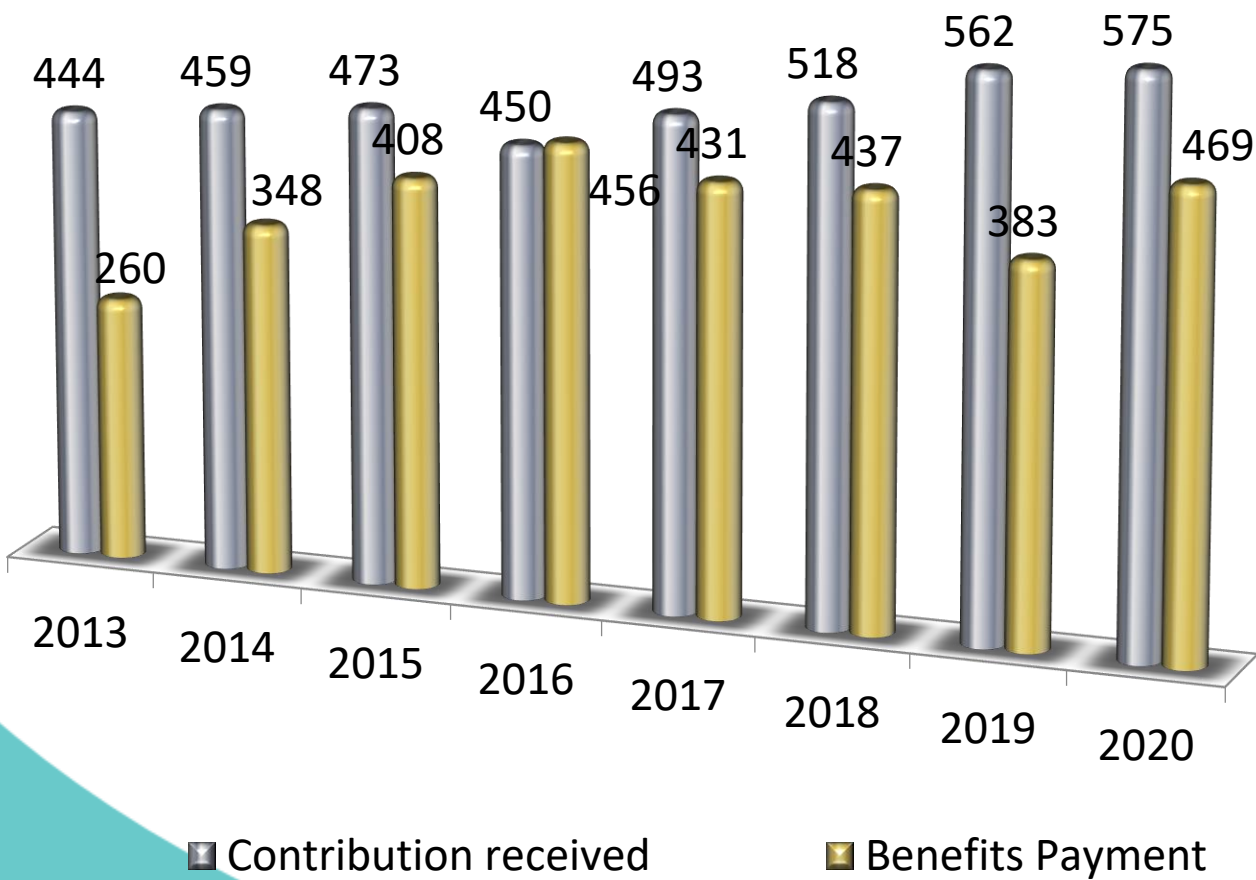


# FX AND LISTED and Intl : 2020 Covid 19 had massive adverse impact in Q1

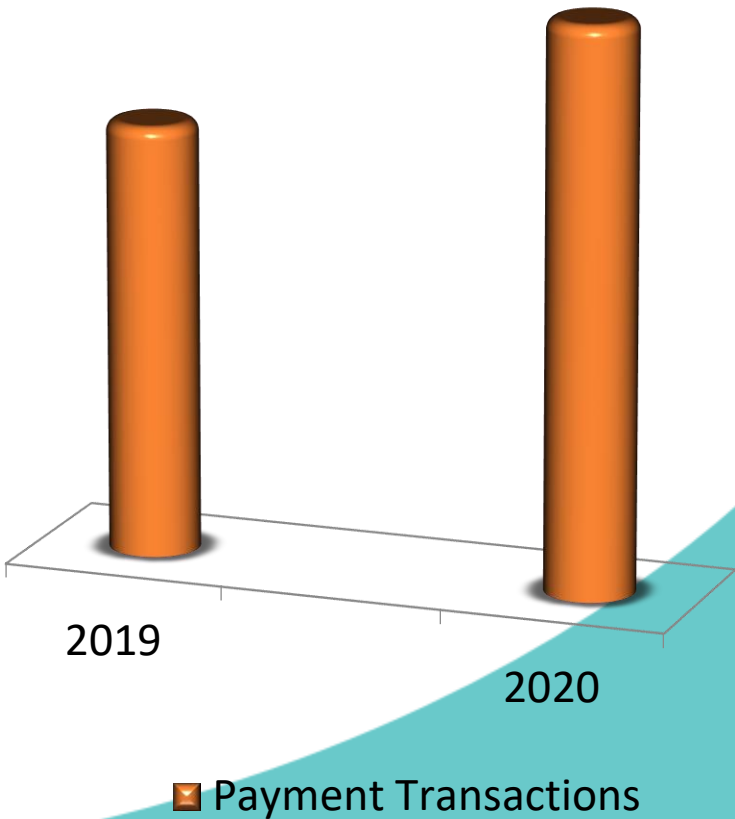


FX LISTED DOM INT L total

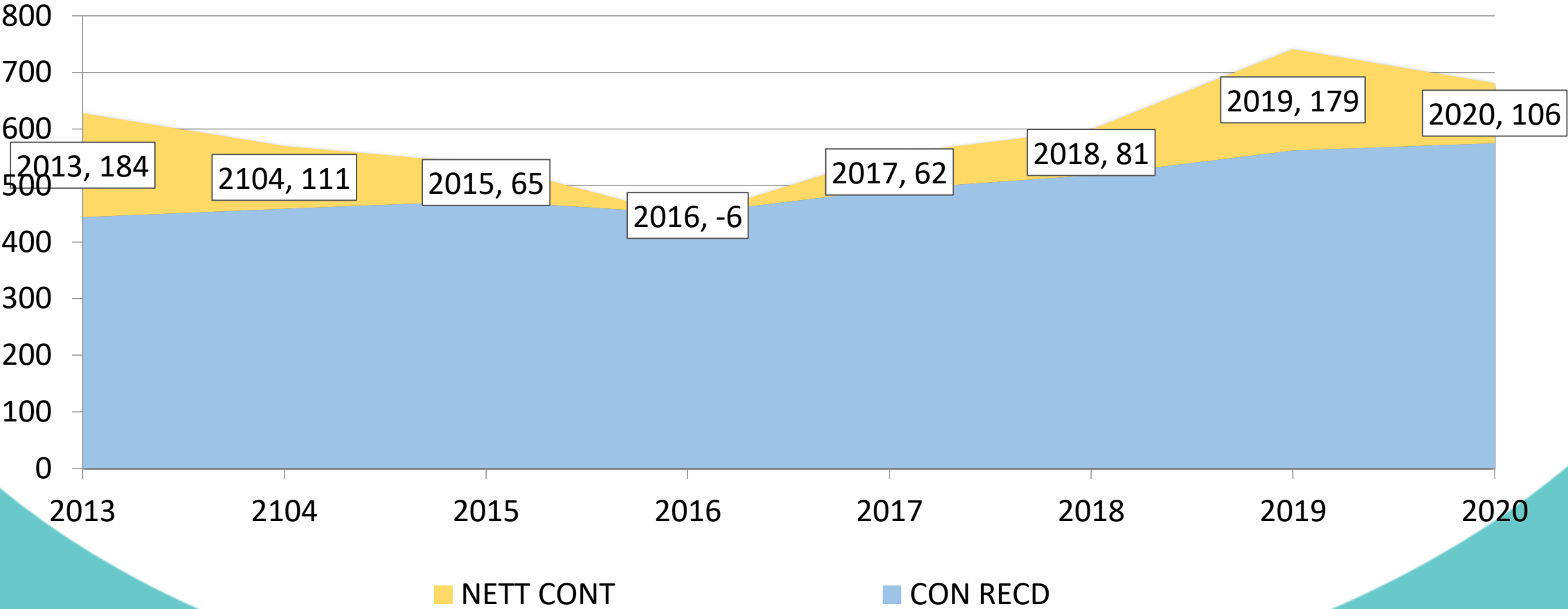
# Contributions vs Payments



**Payment Transactions  
increased by 32% -  
Benefit pmt increased by  
22%**

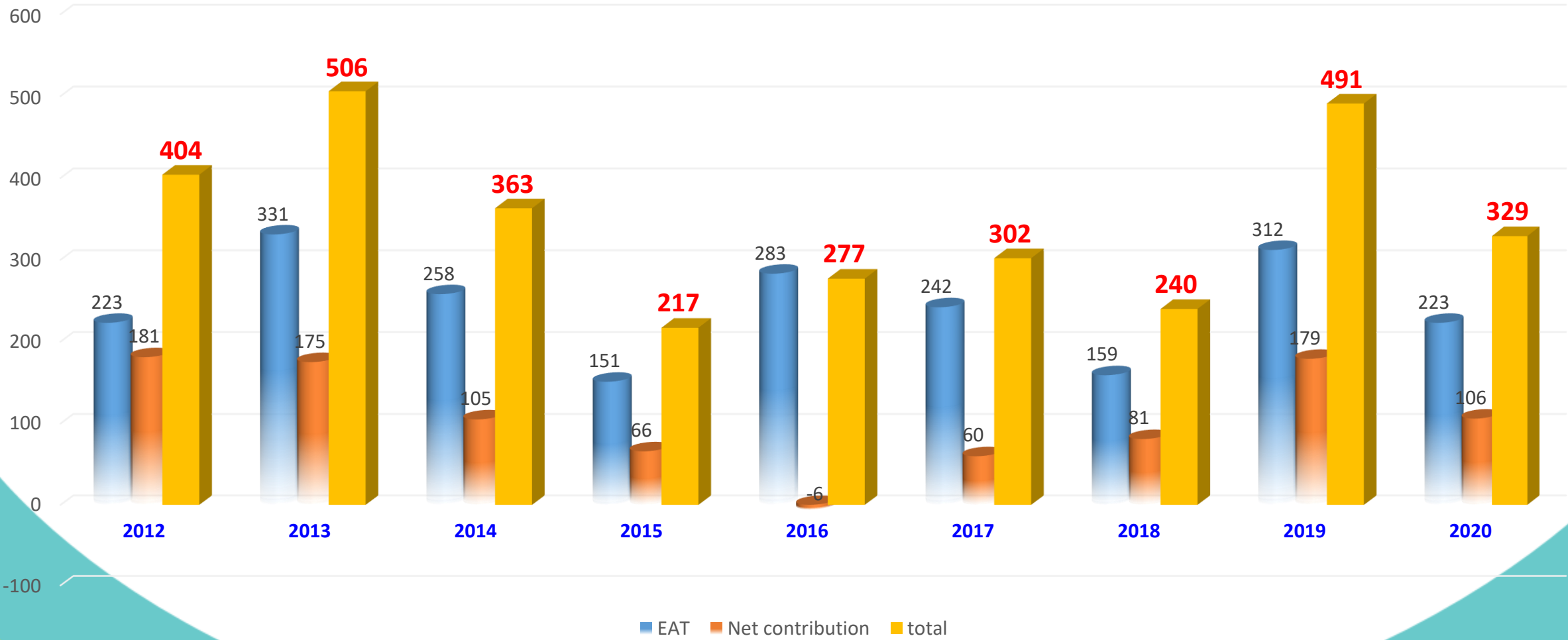


# Surplus contribution for investment - back to 2013 levels

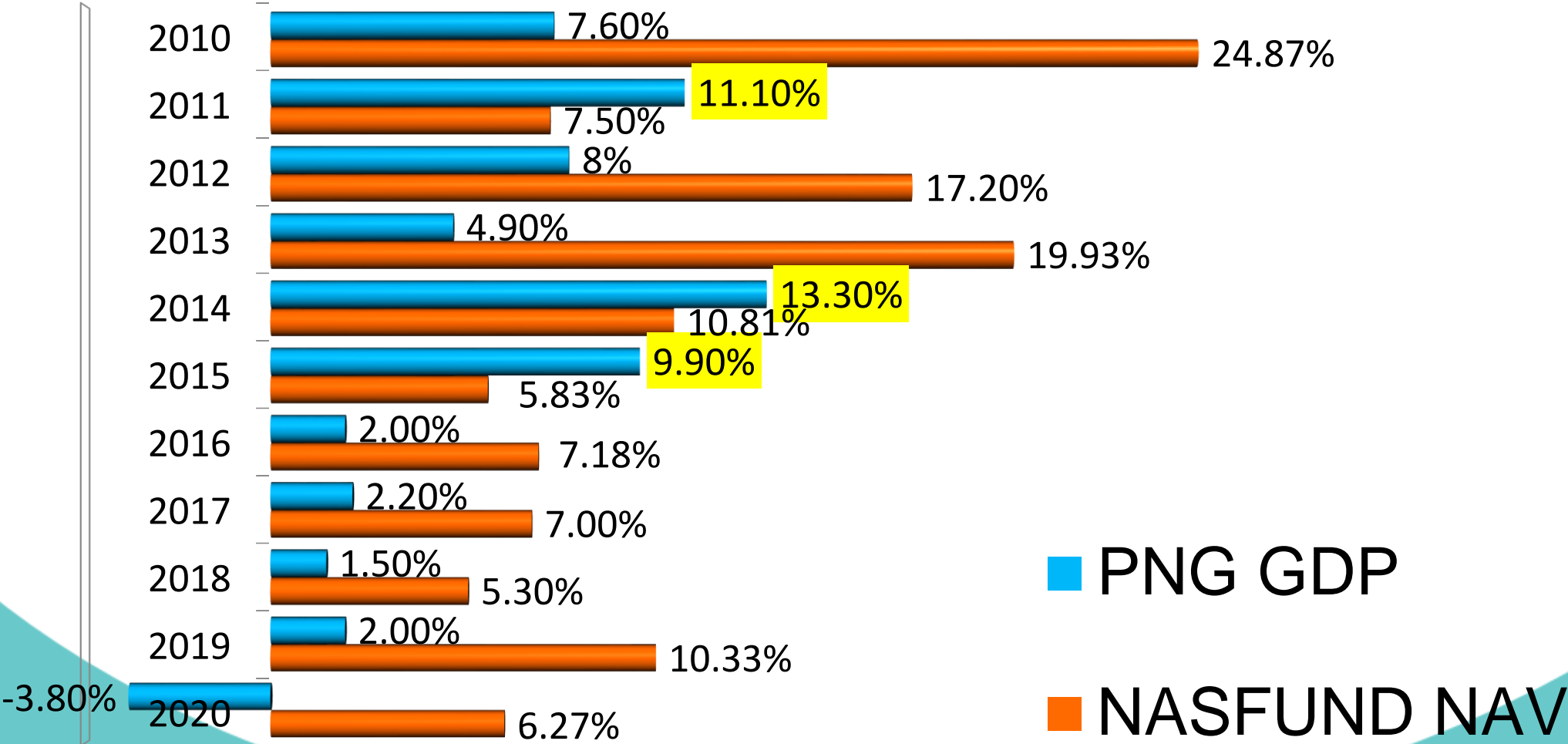




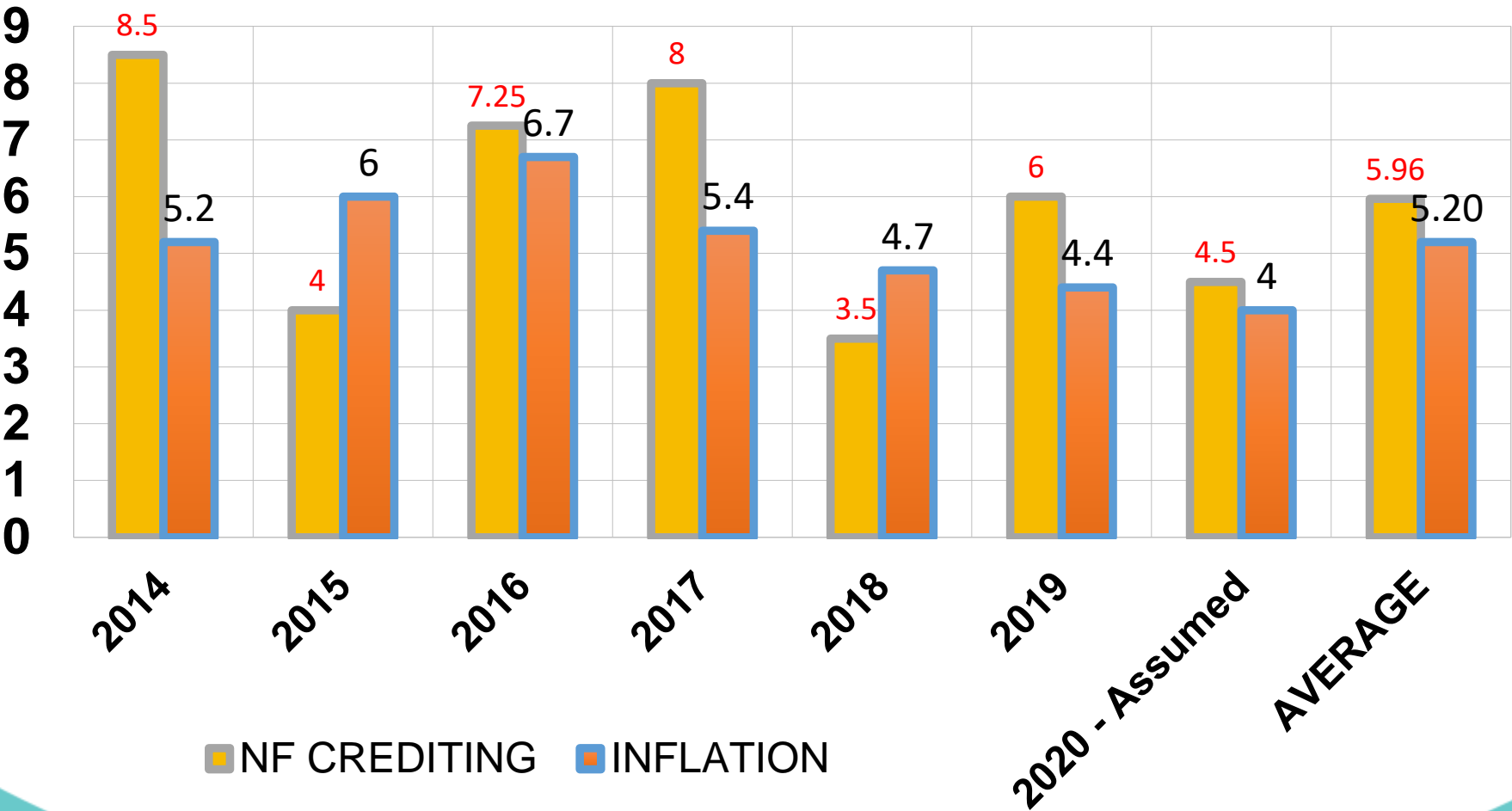
# EAT and net contribution - back to 2013 levels



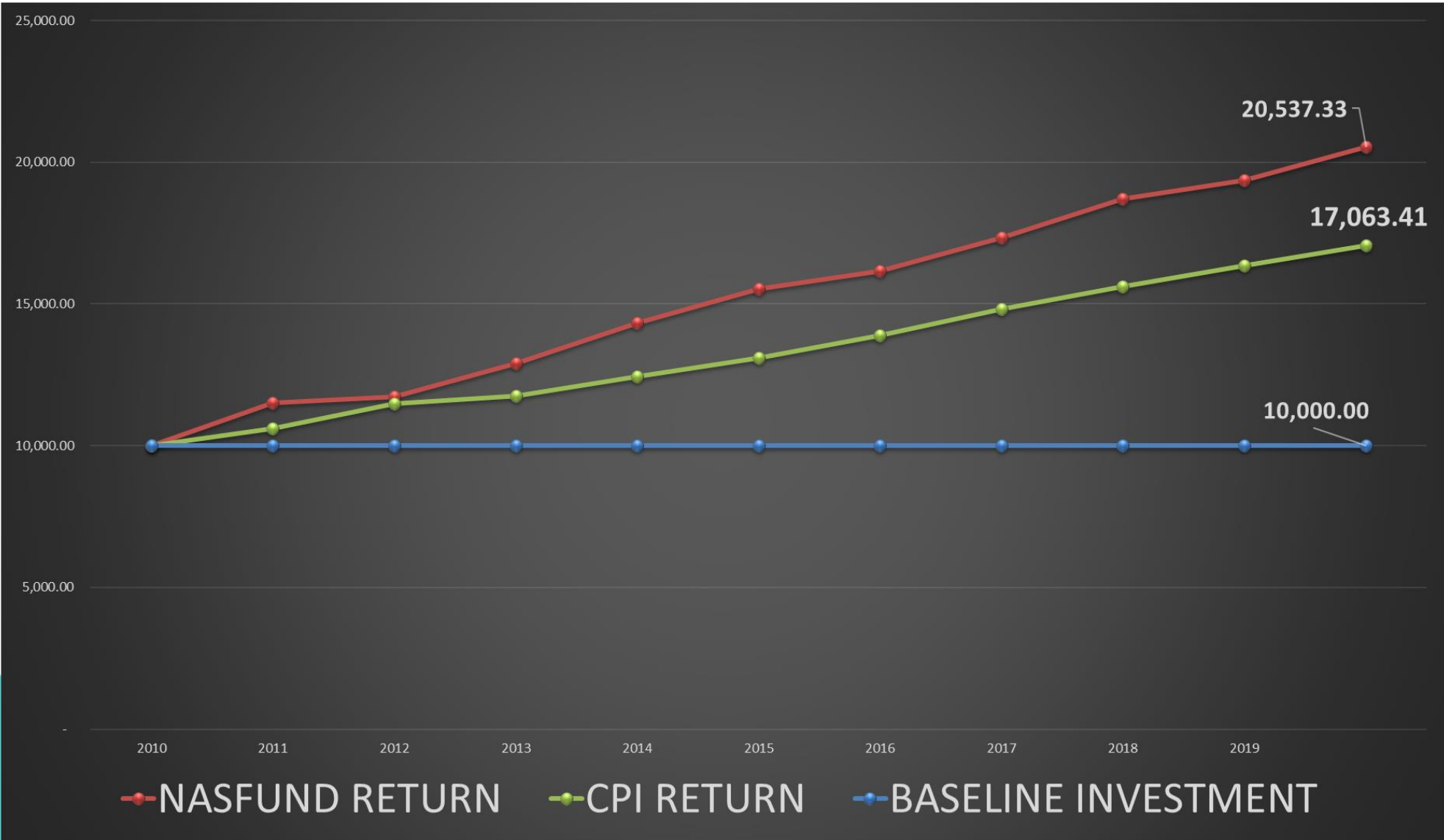
# Nasfund NAV Growth vs PNG GDP Growth



# Crediting Rate and Inflation



# Crediting Rate and Inflation



## Net Assets Value



**5.573 bn**

## Profit after Tax 2019



**222.6 mn**

## Total Members



**604,587**

## Staff Numbers



**162**

## No of Branches



**15**

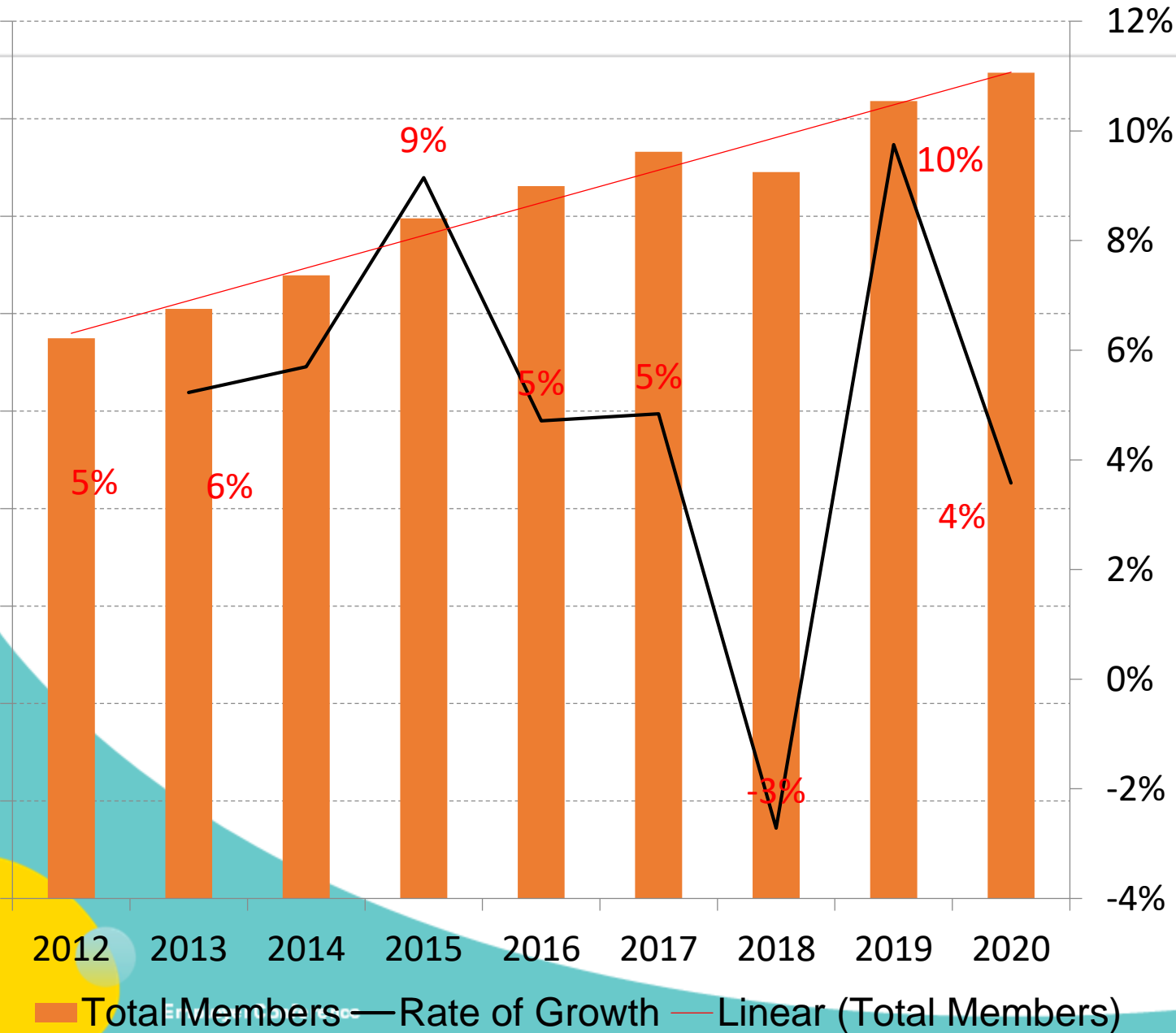
## Total Employers



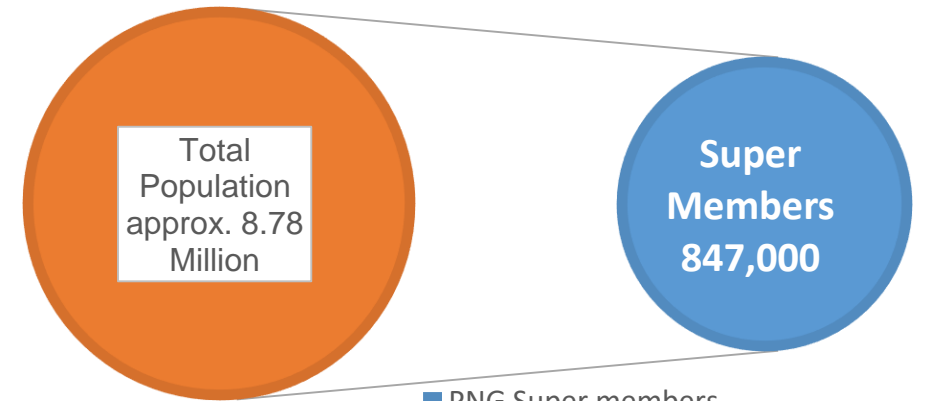
**2576**

# Superannuation in PNG

# PNG Super Funds – Total Members



**PNG SUPER MEMBERS REPRESENT IN APPROX. 9.6% OF THE TOTAL POPULATION**

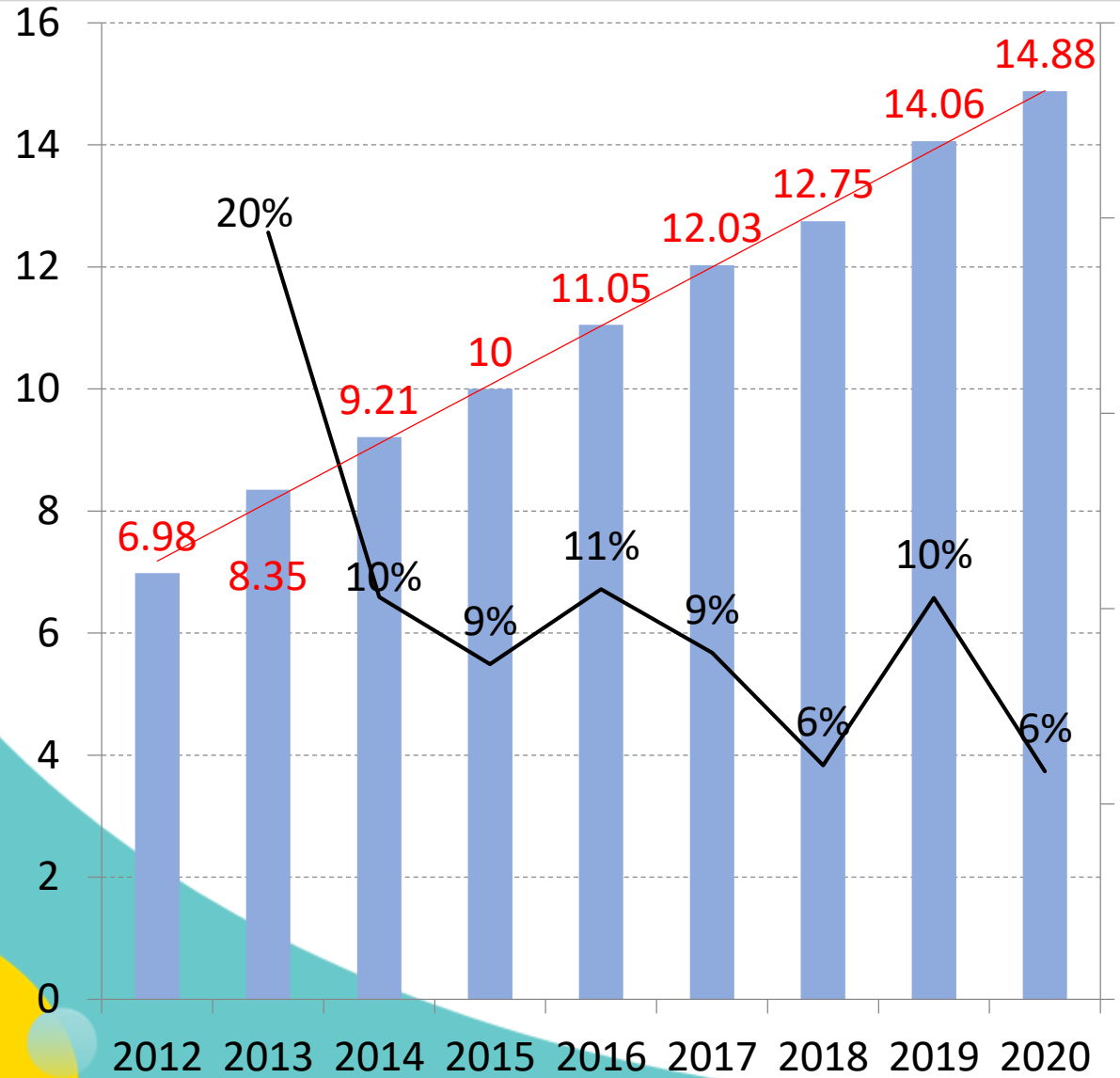


■ PNG Super members

Australian Super Membership is approx. 60 % of total population

Fiji NPF has 447,635 members , which is 48.5 % of population

# PNG, FIJI AND AUSTRALIA



**PNG Super industry is approx. 16.67% of the GDP**



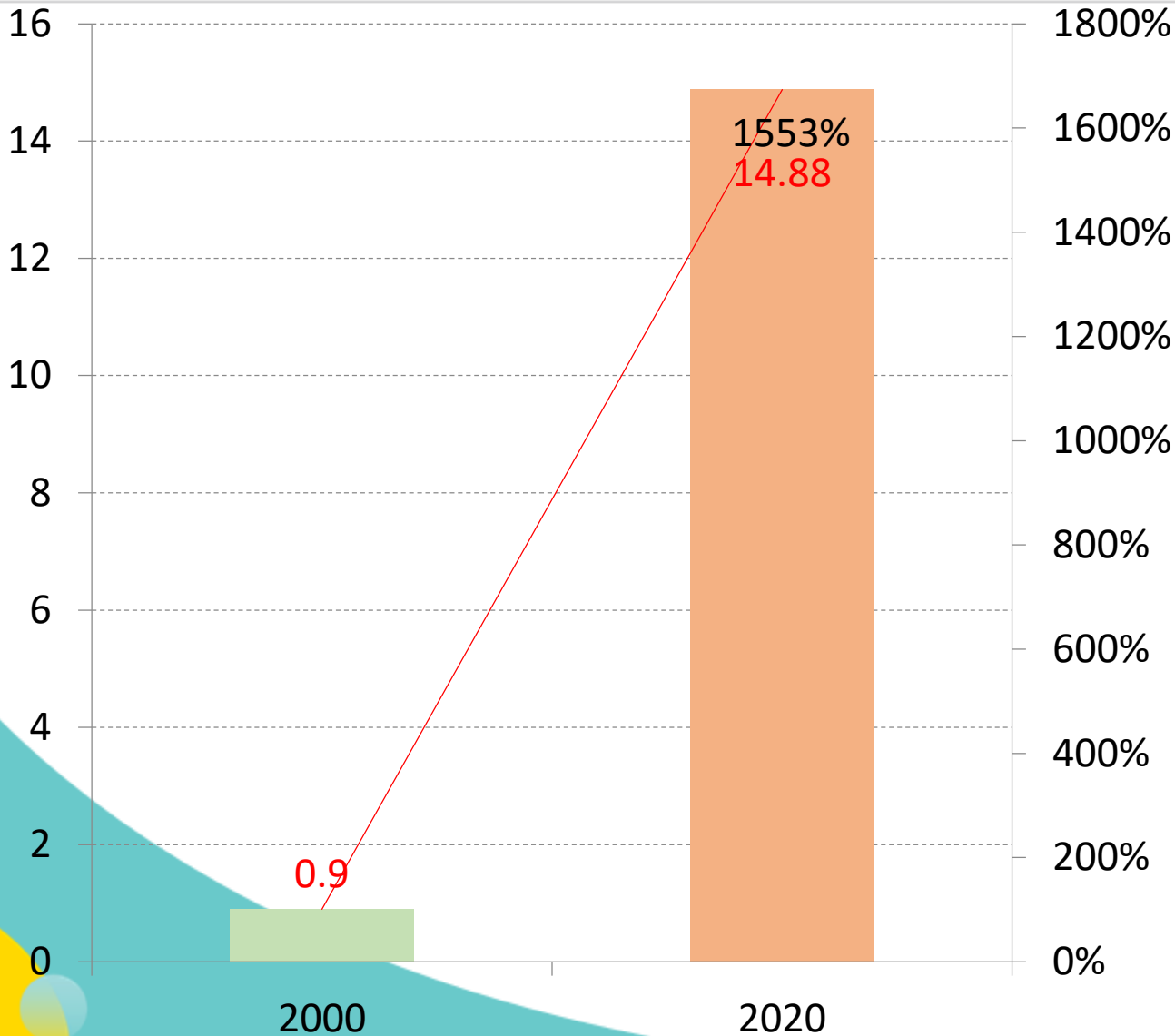
■ PNG Super Assets

As per ASFA NAV of Australian Super funds at approx. AUD 3 Trillion is 165% of GDP

As per RBI - Fiji NPF 6.3 Billion represents 57 % of GDP



# Growth of PNG Superannuation 2000 – 2020



PNG SUPER  
INDUSTRY HAS  
CONTRIBUTED  
ABOUT 14 Bn OF  
WEALTH  
GENERATION  
DURING LAST 20  
YEAR S

# Reason for the Success of PNG Super Industry



**SUPERAANUTION ACT 2000**



**REGULATED INDUSTRY  
GOVERNED BY ONE ACT**

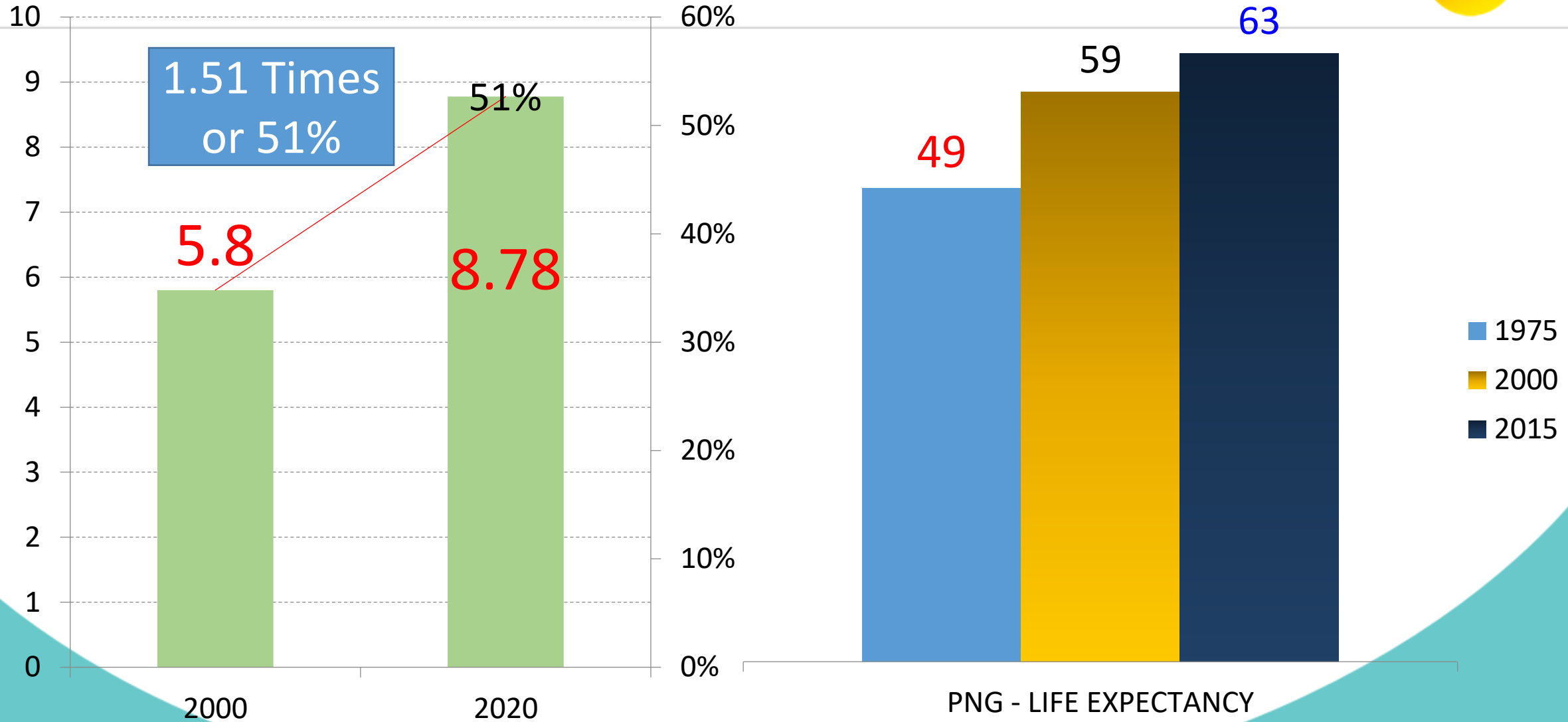


**ENHANCED  
GOVERNANCE**



**EFFECTIVE SUPERVISION AND  
MONITORING BY BPNG AS  
REGULATOR**

# PNG Population ( Million ) and Life Expectancy ( Years ) 2000 vs 2020



POPULATION — Rate of Growth — Linear (POPULATION)

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# Nasfund – Strategic Timeline



**LOW SUPER COVERAGE**

**INCREASING LIFE EXPECTANCY**

**MAGIC OF COMPOUNDING**

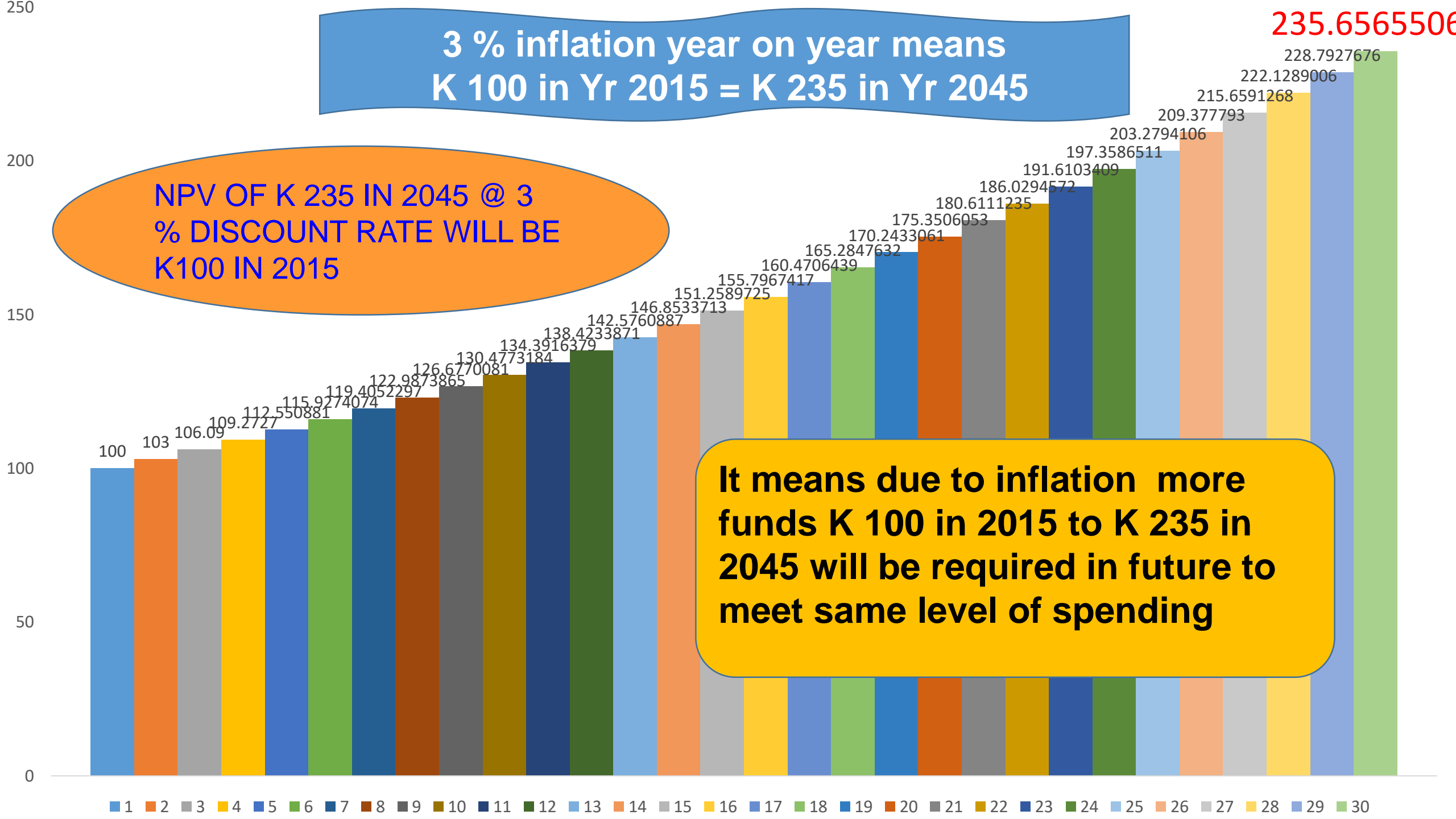
**INFLATION – NEED MORE MONEY IN FUTURE**

**SUPERANNUATION INDUSTRY – WELL GOVERNED AND GOOD TRACK RECORD**

3 % inflation year on year means  
K 100 in Yr 2015 = K 235 in Yr 2045

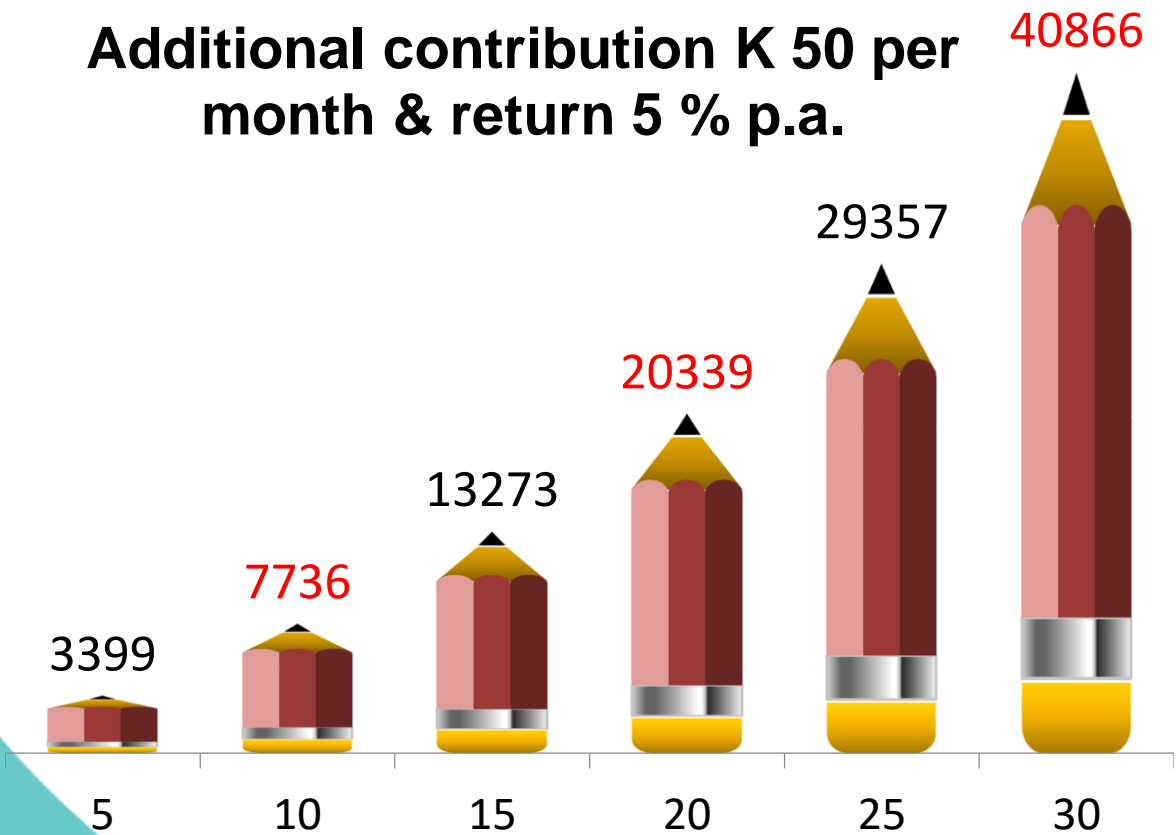
NPV OF K 235 IN 2045 @ 3  
% DISCOUNT RATE WILL BE  
K100 IN 2015

235.6565506



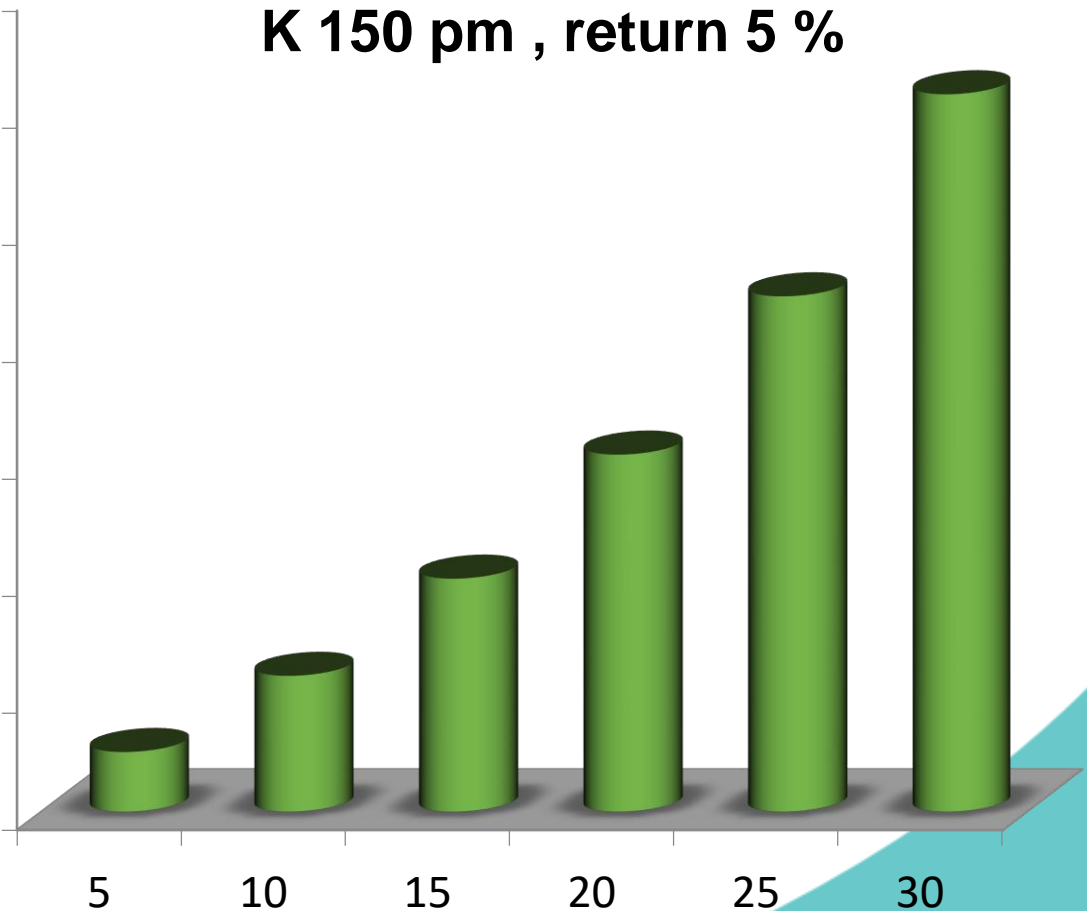
It means due to inflation more  
funds K 100 in 2015 to K 235 in  
2045 will be required in future to  
meet same level of spending

Additional contribution K 50 per month & return 5 % p.a.



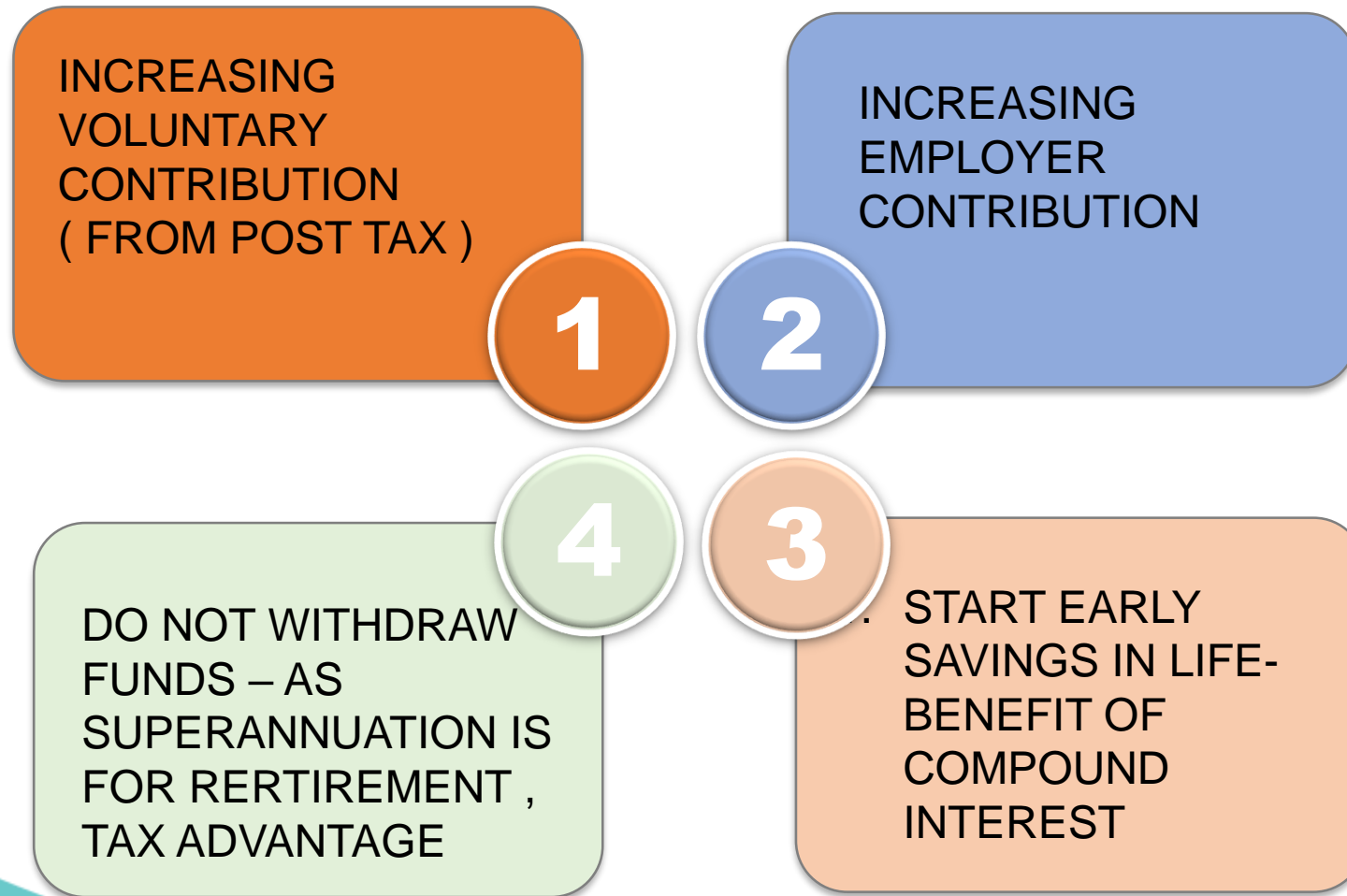
	Principal	Interest	Total	Prin %	Intt %
30	18000	22866	40866	44.0%	56.0%
20	12000	8339	20339	59.0%	41.0%
10	6000	1736	7736	77.6%	22.4%

K 150 pm , return 5 %



**MAGIC OF  
COMPOUND INTEREST**

# How to grow and preserve super so that you are ready for tomorrow!



# Thank you