



# Review of the Guardians of New Zealand Superannuation

Summary Report Prepared for the New Zealand  
Treasury and Wider Stakeholders

August 2024

# 1

## This review in outline

This report is a short summary of the full version. Both are public documents

### The review in narrative

- The New Zealand Super Fund (referred to here as ‘the Fund’ or ‘NZSF’ for consistency; strictly the organisation is ‘the Guardians’) is one of the most respected sovereign wealth funds in the world. Strong governance has been one of its differentiating features. One aspect of that governance is the legal requirement for an independent review of the Fund to take place every five years. We summarise in this report that review conducted by WTW in the first half of 2024
- The review assesses whether the Fund is a global best practice organisation - one that compares *very well* to peers in strong performance and enablers of good practice; and one that is able to meet its mandate with a margin of safety
- The WTW best practice assessment is both a relative standard (compared with global peers) and an absolute standard (well-equipped to meet the mandate)
- **NZSF attained the WTW Global Best Practice rating  
This puts the Fund into a small group of leading asset owners globally**

### The review in measures

- The review was made up of a large number of component parts including
  - Over 50 Meetings
  - Comparison with 25 Peer Funds – large, sophisticated asset owners
  - Over 100 Fund documents reviewed
- Our overall assessment of the Guardians is as follows:
  - Business model: **AA** **Excellent rating**
  - Governance model: **AA** **Excellent rating**
  - People model: **AA** **Excellent rating**
  - Investment model: **AAA** **Exceptional rating**
  - Systems model: **A** **Very good rating**
- AAA or AA is a very high rating, attained by a small number of asset owners globally and reflects our view that the Guardians achieve best practice in most of what they do. A is a very good rating, with potential to develop into a higher rating. The full scale of ratings in order is AAA, AA, A, BBB, BB, B, CCC, CC, C
- The review included input of areas where improvement can be achieved, with 7 recommendations and 4 suggestions

“ *Waiho mā te tangata e mihi | Let someone else praise your virtues* ”

~ James Kerr, *Legacy*

# 2

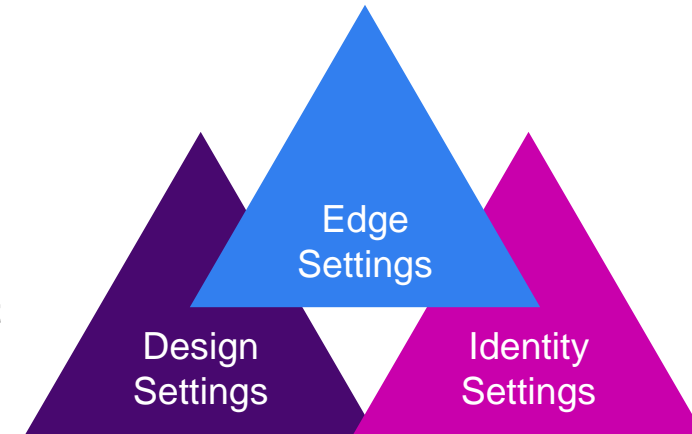
## The review process in summary

The assessment of an investment organisation resembles building a mosaic

### The review in narrative

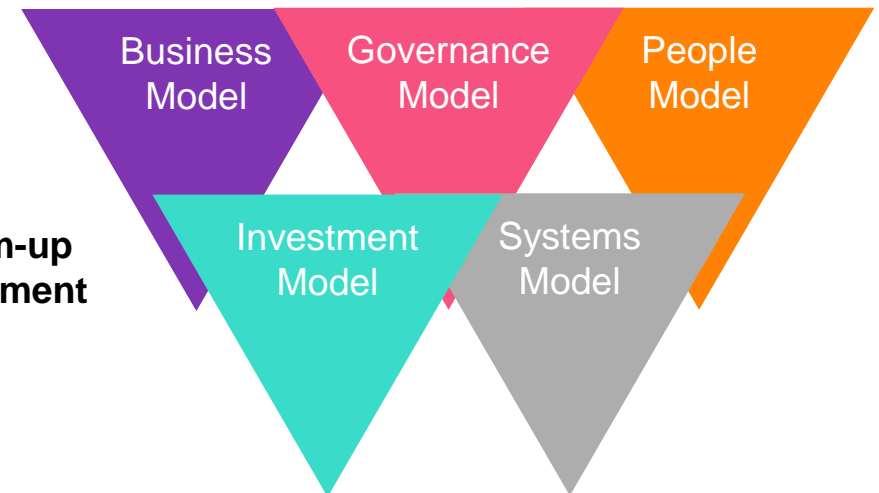
- The legal requirement for an independent review process to take place at least once every five years represents strong governance in its own right. Somewhat surprisingly we have not found other leading asset owners that have the same legal obligation. The review supports accountability and provides constructive feedback on alignment to best practice and ideas for improvement
- The central design of this review involves two 'lenses' being combined:
  - Top-down assessment of three component settings or features of the organisation – Design, Edge, Identity
  - Bottom-up assessment of five component models – Business, Governance, People, Investment, Systems Model
- Best practice assessment involves judgment, not least because it is not a static concept and is formed by piecing together component parts
- Our work essentially involves building a 'mosaic' of the key elements of the organisation. We summarise this in three concepts employing the thinking on systems design (the value of the concept of systems thinking and systems design is covered in the Appendix of the full version of our report)
  - Connecting dots – making sure the multiple organisational pieces (the 'mosaic') fit in place together and make sense as a whole
  - Recognising patterns – understanding how the future is likely to evolve given the study of recognisable patterns that organisations should expect to occur in future
  - Socialising solutions – identifying actions that follow from the work and doing so using a co-creation process engaging key stakeholders

### Top-down Assessment



### A mix of objective and subjective assessment employing evidence and judgement

### Bottom-up Assessment



# 3

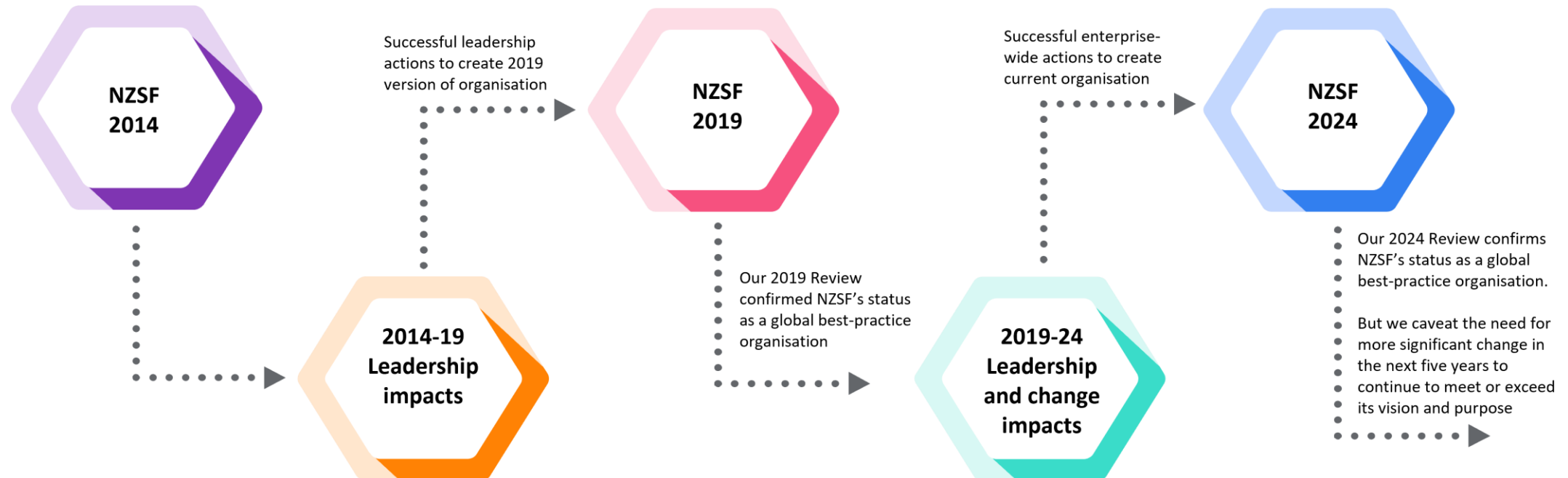
## The Guardians continues to operate at global best-practice levels But it will need to step up to meet gathering headwinds

### The review

- The Fund's results over the last 5 years have been excellent, reflecting the organisation's effectiveness in carrying out its mandate
- At the present time the Guardians is operating at global best practice in its activities
- It has achieved this state principally through the inspiration of its leaders – past and present; its system design; and its culture

### Future action

- Constant attention to improvement has been a defining characteristic of the Guardians that will be required to address gathering headwinds
- There are several large challenges ahead: embedding new leadership and better leadership continuity; responding to adverse capital market conditions; maintaining strong culture in a larger and more complex organisation; and undergoing a technology transition



# 4

## The Peer Study helped with our assessment of global best practice

The 2024 Thinking Ahead Institute (TAI) [Peer Study](#) provided key data for the review

### 1. The TAI<sup>1</sup> Peer Study<sup>2</sup>

- 25 other very big asset owners like NZSF
- Median size: US\$150B; NZSF~US\$46B
- The peer funds all share increasing maturity, more complex portfolios, bigger global footprints and wider stakeholder responsibilities

### 2. Complexity

- Complexity is the #1 issue for the peers and NZSF
- 88% of funds believe global systemic risks are likely to grow in incidence and scale
- 100% of funds believe scorecards are better measures than performance & benchmarks

### 3. The soft stuff is the hard stuff

- Attracting and retaining talent is the #2 peer issue
- 88% have DEI\* policies and strategies
- 50% have diversity targets
- Peers' board gender diversity ~41% female; NZ higher
- 81%/44% of peers incentivise investment/support staff

### 4. Outsourcing

- NZSF is in lower-tier of outsourcing assets ~ 50%
- Peers' outsourcing ave. is 30% FI/60% Eqs/80% Alts
- 58% have some offshoring<sup>3</sup> but not NZSF
- 50% think offshoring\* produces better deal access
- 50% think offshoring adds to talent

### 5. 3D Investing

- NZSF adopts sustainable finance<sup>3</sup> and is in the 57% with parallel financial and sustainability goals
- 65% self-declared as universal owners
- 69% have made net zero commitments
- 100% have sustainability specialists

### 6. Total Portfolio Approach (TPA)

- NZSF is in the top-tier on the TPA<sup>3</sup> spectrum
- 1.8% pa performance edge of TPA tier over SAA<sup>3</sup> tier over 10 years
- Funds now tiered evenly: one third SAA, hybrid, TPA
- TPA traction is set to increase in next 5 years

### 7. Joined-up work & work design

- 84% of peers have issues in joined-up tech
- 73% of peers have issues in joined-up comp
- 75% have issues with ESG and fiduciary duty
- 21% have issues with joined-up management & board
- 100% have hybrid work arrangements

### 8. Succession and heritage

- Average peers' board composition of 12; NZSF ~6
- 9% of funds have full 7-year CEO / CIO continuity
- 5-year average board tenure across peer group
- 12% of funds created in the last 25 years and have fresh start advantages (including NZSF)

### 9. Peer Study highlights

- The considerable value of peer engagement
- Reach of sustainable finance is growing
- Stakeholders becoming wider and bigger issue
- Alternative assets increasingly front-line
- Board role has grown more critical over time

<sup>1</sup> TAI is the Thinking Ahead Institute which is WTW's innovation network

<sup>2</sup> The TAI Peer Study was a published study comparing 26 leading asset owners including NZSF with total AuM of US\$6Tn. It was published in the first half of 2024

<sup>3</sup> Terms defined in the appendix

# 5

## The review employed the latest research into applied system thinking

For more on systems thinking refer to the TAI Peer Study

*“He rangi tā Matawhāiti, he rangi tā Matawhānui”*

*“The person with narrow vision sees a narrow horizon, the person with wide vision sees a wide horizon”*

### Systems factors considered in this review

### What is the advantage?



- The systems thinking<sup>1</sup> applied to NZSF zoomed out on the whole of the organisation; and zoomed in on its component parts.  
*A system is not the sum of its parts but the product of their interaction*

- Looking at NZSF as a system with its elements, inter-connections and its purpose and function is the most realistic and accurate way to assess it



- Using four lenses to view the organisation is crucial – taking bottom-up, top-down, compliance and performance perspectives  
*Dragonfly eyes – seeing wider, nearer, further, deeper*

- Each extra lens improves the triangulation in building the picture of an organisation and allowing better perspectives to emerge



- The results of our work were extensively socialised through multiple versions without compromising independence  
*Tell me and I forget it, engage me and I get it*

- Socialising is a key process to improve collaboration and plays a part in systems leadership



- The organisation’s resilience to systemic risk was considered on top of normal risk considerations  
*We tend to over-value efficiency, it makes us under-value resilience*

- Systemic risks are different from normal market risks being uncertain, pervasive, inter-connected and non-linear. They need special attention



- Systems thinking uses theory, data and evidence to support its conclusions  
*What gets measured gets managed*

- The accurate understanding of a system requires a combination of theory and data to bring shared alignment around the underlying story

## Review assessments

- Bottom-up
- Top-down
- Compliance
- Performance

# 7

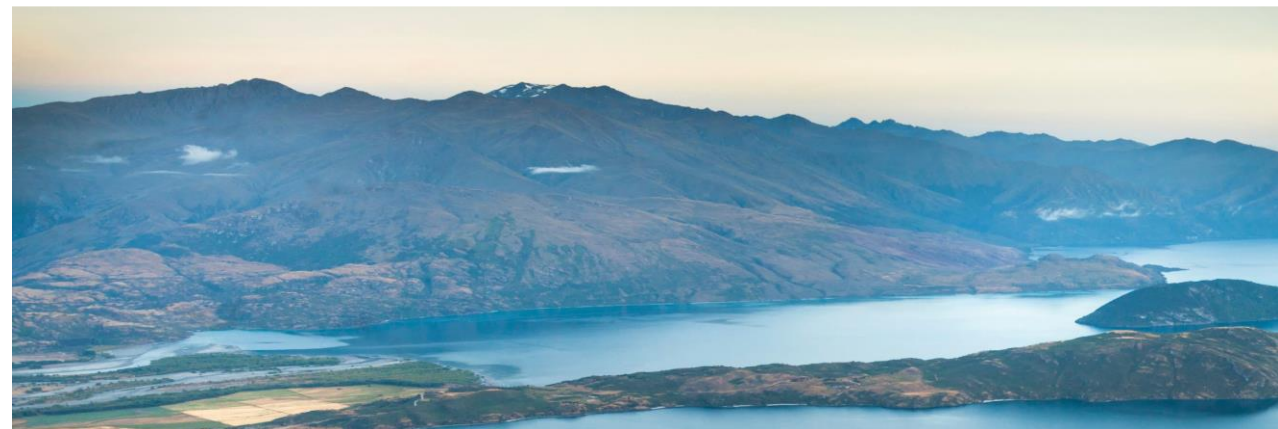
## The bottom-up view – NZSF organisational foundations are very strong

Assessments are strong across all elements with one ‘AAA’, three ‘AA’s and one ‘A’ rating

Business Model features	AA	Governance Model features	AA	People Model features	AA	Investment Model features	AAA	Systems Model features	A
Purpose and vision clarity and alignment	AA	Strong governance across board & management	AAA	Effective organisational culture	AA	Strong risk budgeting framework	AAA	Deep understanding of the investment industry	A
Rightsized sustainability ambition and commitment	A	Effective allocation of time budget	A	Effective team culture	AA	Effective portfolio construction	AA	Deep understanding of the organisation	AA
Strong and well-integrated technology	A	Strong investment and organisational beliefs	AA	Strong DEI <sup>1</sup> practiced	A	Comprehensive measurement & reporting	AA	Learning organisation, culturally and structurally	AA
AI/ML that is foundational to technology strategy	BBB	Real-time decisions	AA	Talent at all levels and in all disciplines	AA	Effective in long horizon investing	AAA	Joined-up in internal teams/providers in value chain	A
Effective alignment with sponsor and key stakeholders	AAA	Effective compensation aligned to goals	AA	Inclusive and empowering leadership	AA	Effective liquidity management	AA	Joined-up in thinking, measurement, and reward	A
Competitive positioning and comparative advantage	AAA	Board is effective	AA	Learning and development prioritised	AA	Strong in sustainability	A	Strong change capability	A

### The rubric

RAG analysis	Green = Best practice	Lime = Good practice	Amber = Moderate practice	Red = Poor practice
Ratings	AAA, AA	A, BBB	BB, B	CCC & below
NZSF count	20	10	-	-



<sup>1</sup> Terms defined in the appendix



# 8

## The top-down view: NZSF is strong but with a gap on complexity

The Fund's design has been in the main supportive to its results

Key design features	NZSF	Key edge features	NZSF	Key identity features	NZSF
<b>1. Managing complexity.</b> Balancing BaU tasks with BbU (“business-beyond-usual”) tasks and their execution; resourcing and planning for increased complexity; resources and competencies for managing change	BB	<b>1. The soft stuff is the hard stuff.</b> Successfully managing talent, culture and governance; applying strong leadership principles including systems leadership; maintaining the EVP <sup>1</sup>	AA	<b>1. Organisational purpose, vision and values</b> How the purpose and vision of the organisation aligns with its values; how this is motivational to the organisation and helps with the alignment of behaviours and actions; having a coherent link between the org design and the whole ecosystem	AA
<b>2. Total portfolio approaches (TPA).</b> Governance framework is goals-centred, adaptable and flexible; joined-up allocation for capital in a competition for the best ideas; teams work for the total portfolio interests	AA	<b>2. Joined-upness.</b> Effective combinations within and across teams and across providers, reducing siloes in the organisation; wherever possible working with shared values	BBB	<b>2. History and heritage as influenced by leadership</b> How the organisation's history is respected and informs behaviours and actions in a way that motivates and helps joined-upness; how past and present leaders have contributed and are contributing to the organisation's present and future state	AAA
<b>3. Insourcing system.</b> Well-designed line-ups of skills and resources in private markets; cultural alignment/joined-up risk exposures with all mandates; co-investing models and directs model with well-integrated cost and value data	A	<b>3. Design and execution of the work model.</b> Effective hybrid design (the in-office/ virtual mix and its tacit ‘rules’); superteams <sup>1</sup> principles - strong in culture, governance, cognitive diversity	BBB		
<b>4. 3D investing model.</b> Balancing risk, return and real-world impacts sustainably and systemically; allocating to listed markets holistically with respect to externalities; inclusion of systemic stewardship	A	<b>4. Learning organisation.</b> Learning and development platform; building organisational synergy by aligning individual and organisational motivations and actions; inspiring cultural growth	A		



Rubric				
RAG analysis	Green = Best practice	Lime = Good practice	Amber = Moderate practice	Red = Poor practice
Ratings	AAA, AA	A, BBB	BB, B	CCC & below
NZSF count	4	5	1	-

# 9

## The compliance view

WTW produced a positive check on and assurance around a number of specific areas

### WTW opinions

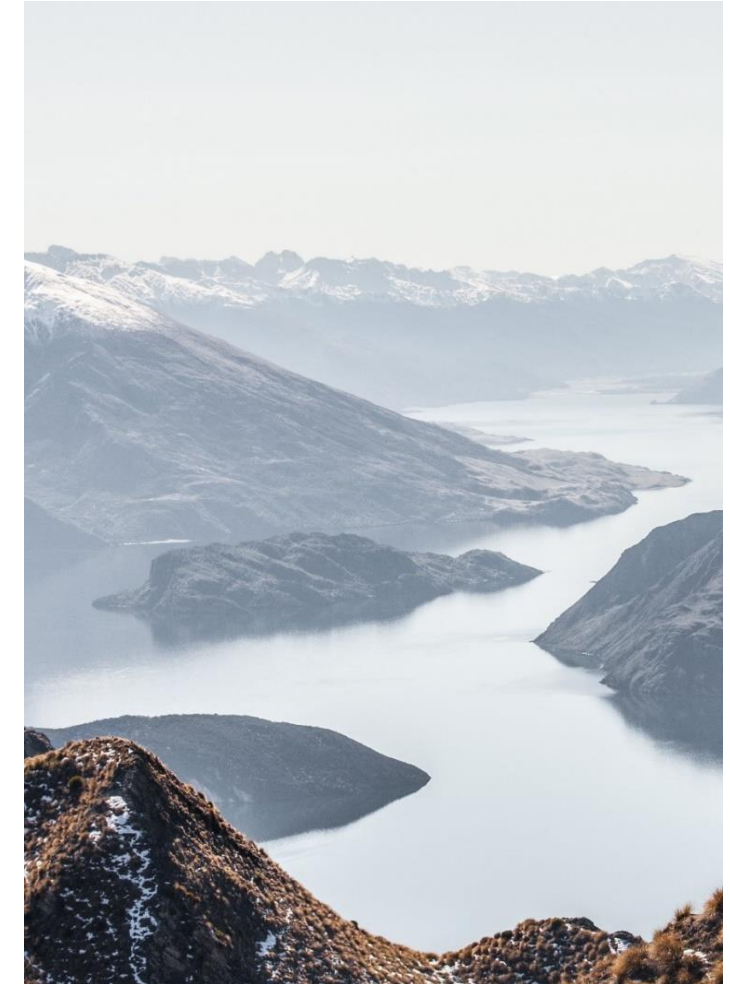
#### High level governance factors

- As a summary we note that the following high level governance factors, first confirmed in the 2019 WTW independent review, are present in 2024 :
  - The roles and responsibilities of the Board, the Board Committees, Management and its committees are clearly documented ✓
  - Evidence of separation of responsibilities between Board and Management, with the CEO and Management by way of delegation from Board ✓
  - In line with the “no surprises policy”, the Board is kept well informed of how investment opportunities are developing ✓
  - In relation to decision-making, there are clear processes in place with various levels of approval according to circumstance ✓
  - The record keeping to decisions is appropriately documented. Conflicts are appropriately recorded & managed ✓
  - The Delegations Policy provides detailed delegations in relation to each policy, investment activity and operational activity ✓

### WTW opinions

#### Detailed governance factors

- Compliance with the Statement of Investment Policies, Standards & Procedures ✓
- Valuation of assets  
*The Fund has a robust valuation framework* ✓
- Derivatives  
*The use of derivatives and leverage in the Fund are soundly managed* ✓
- Application of Risk Budget and Risk Proxies ✓
- Investment strategies: endowments, risks and liquidity ✓
- Ethical/Sustainable Investment Framework  
*The Fund has made significant strides forward in sustainability since the last review* ✓
- The governance and management implications from the legislation allowing the Fund to take a controlling interest in an entity  
*Aligning NZSF with other peer funds* ✓
- Appropriate use and periodic review of the internal versus external management  
*Aligning internal and external choices* ✓



# 10

## The performance view

The Fund's performance over the last five years has been exceptional

### WTW commentary

- The Fund's performance to 31 December 2023 is shown below:

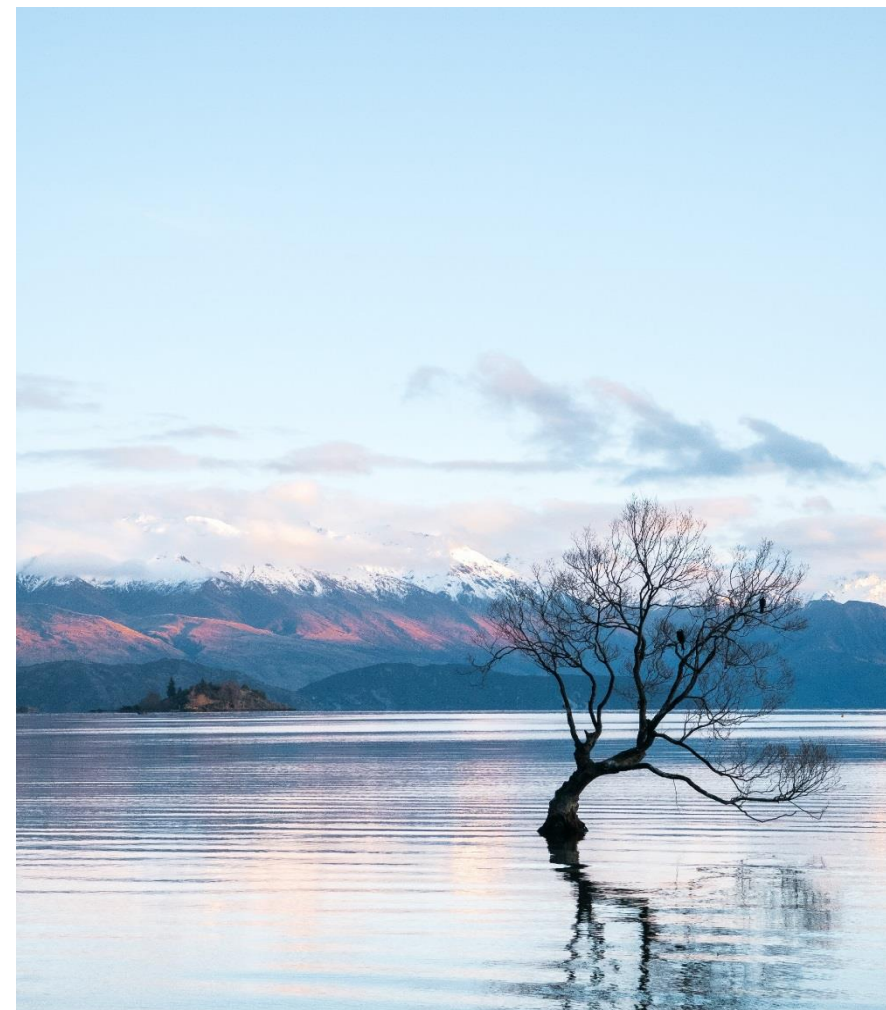
As at 31 December 2023	Since inception <sup>1</sup>	Last 5 years
Fund return (p.a.)	9.8%	10.3%
Reference portfolio return <sup>2</sup> (p.a.)	8.3%	8.9%
Value added (p.a.)	1.5%	1.3%
Value added (\$bn)	\$9.14	\$3.20
Long term expectation <sup>3</sup> (p.a.)	6.1%	4.7%
Value added (p.a.)	3.8%	5.6%
Active risk (p.a.)	2.3%	2.8%
Information Ratio <sup>4</sup> (IR) (p.a.)	0.65	0.47

Notes:

- September 2003
- The reference portfolio was introduced in July 2010. Comparisons prior to this date are against the Fund's SAA model.
- Treasury Bill return + a margin (2.7% till 30 June 2020 and 2.8% from 1 July 2020 onwards)
- Value add divided by active risk

Source: Data provided by NZ Super, calculations produced by WTW. Returns are after costs, before NZ tax

- NZSF has outperformed both of the performance benchmarks which it uses to measure investment success over both the last 5 years and also since inception
- The Fund's performance over the last 5 years has combined strong returns delivered by the Reference Portfolio (8.9% p.a.) as well as positive contribution from value-add (1.3% p.a.)
- The realised ratio of historical value add to active risk as measured by the Fund's information ratio (IR) - over the last 5 years is 0.47; since inception is 0.65. These are measures of the skill of NZSF in outperforming its benchmark and is also an indication of how consistent the outperformance has been. Both measures are at exceptional levels
- Both are also notably higher than the expected fund-level IR assumption of 0.25 that NZSF uses as the basis of the long-term return expectation set out in the table above



# 11

## Summary of the five-year review of NZSF



**Five-year independent review.** NZSF was shaped by visionary governance at its establishment in requiring the five-year independent review which WTW carried out in the first half of 2024



**Purpose of the review.** The review supports accountability and provides constructive feedback on alignment to best practice and ideas for improvement



**Process.** The process for this review applied WTW methodology as informed by document reviews and on-site and virtual meetings which allowed us to deepen our understanding of the Guardians and the Fund and to support the ratings and other assessments made in WTW's research and analysis

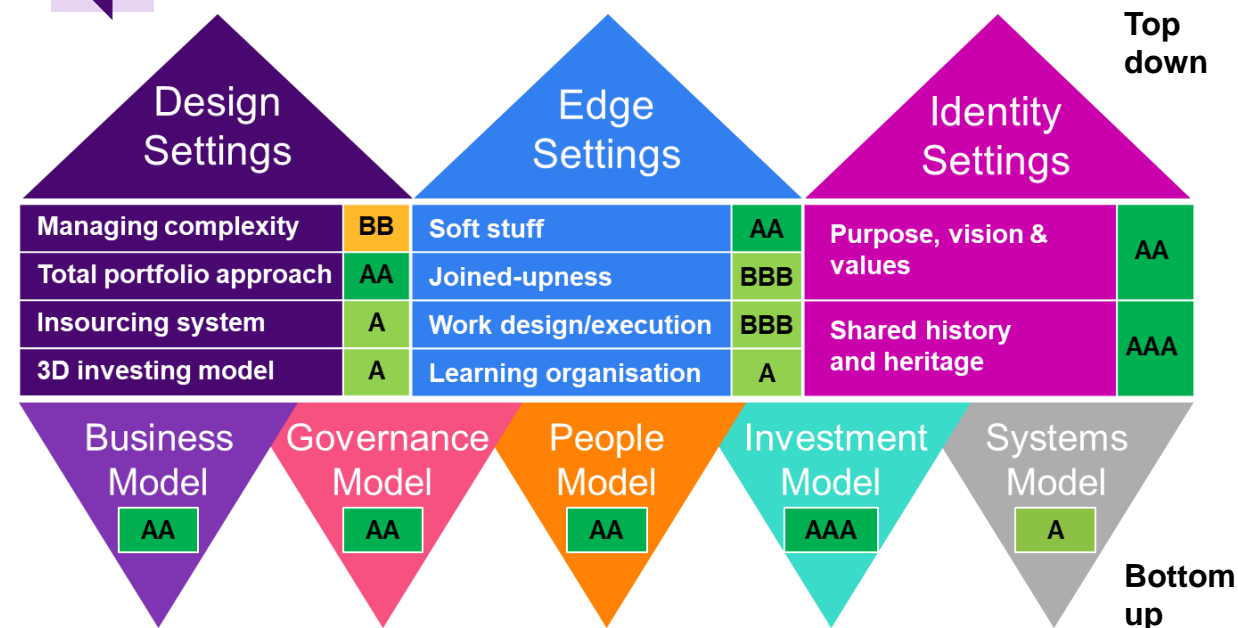


**Best practice assessment.** The central design of this review involves two 'lenses' being combined: top-down assessment of design, edge and identity settings; bottom-up assessment of five models - business, governance, people, investment and systems

The assessment confirmed the Guardians is in a healthy state and operating at global best practice in its activities as captured in the ratings opposite



### NZSF ratings using WTW dual lens methodology



RAG analysis	Green = Best practice	Lime = Good practice	Amber = Moderate practice	Red = Poor practice
Ratings	AAA, AA	A, BBB	BB, B	CCC & below
NZSF count	8	6	1	-

# 12

## The recommendations arising from this review

Recommendations are areas where WTW believes the Guardians should take action

### WTW recommendations

<ul style="list-style-type: none"> <li>• <b>Develop a set of complexity principles and strategies.</b> Address certain organisational imbalances that have developed from increasing complexity. Ensuring that the BbU (business-beyond-usual<sup>1</sup>) area and change function attract sufficient weight in focus and strategy</li> </ul>	<p>From: Complexity is implicitly accepted in the Guardians' arrangements</p> <p>To: Full understanding of the state of complexity in the Guardians and agreed principles and strategies for addressing it</p>
<ul style="list-style-type: none"> <li>• <b>Evolve the TPA model.</b> Develop greater integration of systemic risk into the TPA design through the use of horizon scanning. Consider models that include left-tail risk measurement and management. Ensure the Reference Portfolio is joined-up with the investment approach</li> </ul>	<p>From: The Guardians is rated 4 (out of 5) on the TPA spectrum</p> <p>To: The Guardians moves to 5 (out of 5) on the TPA spectrum</p>
<ul style="list-style-type: none"> <li>• <b>Mature the insourcing of private market investment.</b> Consideration of establishing an overseas presence (e.g. London) to improve access to talent, GP and peer relationships &amp; deals</li> </ul>	<p>From: A significant contribution from outsourced IP in private markets</p> <p>To: A more mature insourcing design that adds more insourced IP</p>
<ul style="list-style-type: none"> <li>• <b>Mature the sustainability proposition and model.</b> Building out the sustainability factors by integrating the combined proposition. Maximising risk-adjusted return working within universal ownership/3D investing<sup>1</sup> principles. The focus should extend more significantly into systemic stewardship. Consider additional resourcing</li> </ul>	<p>From: A 3D lite model in which intentional real-world impact is small</p> <p>To: A 3D full-on model in which intentional real-world impact is managed and measured</p>
<ul style="list-style-type: none"> <li>• <b>Elevate the ambition of the Guardians' learning and development platforms.</b> The accelerating speed of change in the industry calls for a much larger response to upskilling: including pro-active skills development to support the technology transition ushered in by AI; extending the program to cover system thinking</li> </ul>	<p>From: L&amp;D platform used sparingly under self-guided principles</p> <p>To: L&amp;D platform used extensively under stronger organisational influence</p>
<ul style="list-style-type: none"> <li>• <b>Strengthen the technology proposition.</b> The Guardians should consider how to increase the integration of technology users and specialists, including alternative models used by peers</li> </ul>	<p>From: Technology specialists and investment staff are partly joined-up</p> <p>To: Technology specialists and investment staff are well joined-up</p>
<ul style="list-style-type: none"> <li>• <b>Ensure strong leadership succession practices.</b> The Board, Management and Nominations Committee should review their practices for succession planning and succession more generally and position the organisation in a stronger place to respond to continuity challenges in top leadership roles – notably Board chair, CEO and CIO</li> </ul>	<p>From: Leadership succession issues front of mind</p> <p>To: Substantial confidence in leadership succession processes and outcomes</p>

*“The soft stuff is the hard stuff”*

# 13

## The suggestions arising from this review

Suggestions are where NZSF context and bandwidth may or may not make these areas desirable to pursue

### WTW suggestions

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>• <b>Deepen the existing investment beliefs particularly on sustainability.</b> Consider the integration of organisational beliefs and principles with the investment beliefs</li> </ul>   | <p>From: Specialised investment beliefs that are not joined-up with wider factors</p>   |
|   | <p>To: Investment beliefs that are part of a bigger framework of organisational beliefs</p>   |
| <ul style="list-style-type: none"> <li>• <b>Review the Reference Portfolio for better fit with universal ownership principles</b>, notably considering the merits of forward-facing benchmarks and the opportunity to work with other asset owners on this. <b>Develop a stronger Board and Management position on universal ownership, with continued open communication with the Guardians’ principal stakeholders – the Crown, the Minister of Finance and the Treasury</b></li> </ul>   | <p>From: First generation climate risk management which largely stands on its own</p>   |
|   | <p>To: Second generation climate risk management which is integrated with universal ownership/3D investing principles</p>   |
| <ul style="list-style-type: none"> <li>• <b>Deepen Board – Management engagement.</b> The Guardians, in common with most asset owner boards, engages at a high level on investment content. The Peer Study suggested how better engagement can be developed and would add value. WTW considers consultant intermediation and facilitation, in the form of dedicated board advisory support, to be worth considering</li> </ul>  | <p>From: Board engagement on investment content is relatively high level</p>  |
|   | <p>To: Board engagement that involves deeper Board oversight of the portfolio</p>   |
| <ul style="list-style-type: none"> <li>• <b>Reposition the hybrid work design to increase social capital.</b> Use the opportunity in the office move in 2026 to align office design, hybrid design and EVP (employee value proposition) and OVP (organisational value proposition) to increase the social capital which is needed for collaboration to thrive and to support superteams principles. We are aware that Management is reviewing its options on this matter. We are urging that more attention is given to the evaluation of alternative work design arrangements (e.g. hybrid versus office) with particular regard to the social capital factor</li> </ul> | <p>From: Hybrid design is relatively liberally applied with wide dispersion in practice and limited co-ordination; and the office can have a relatively flat atmosphere</p> |
|   | <p>To: Hybrid design that is more top down guided with narrower dispersion of practice and stronger co-ordination; and the office has a magnetic pull</p>                   |

*“Tē tōia, tē haumatia”*

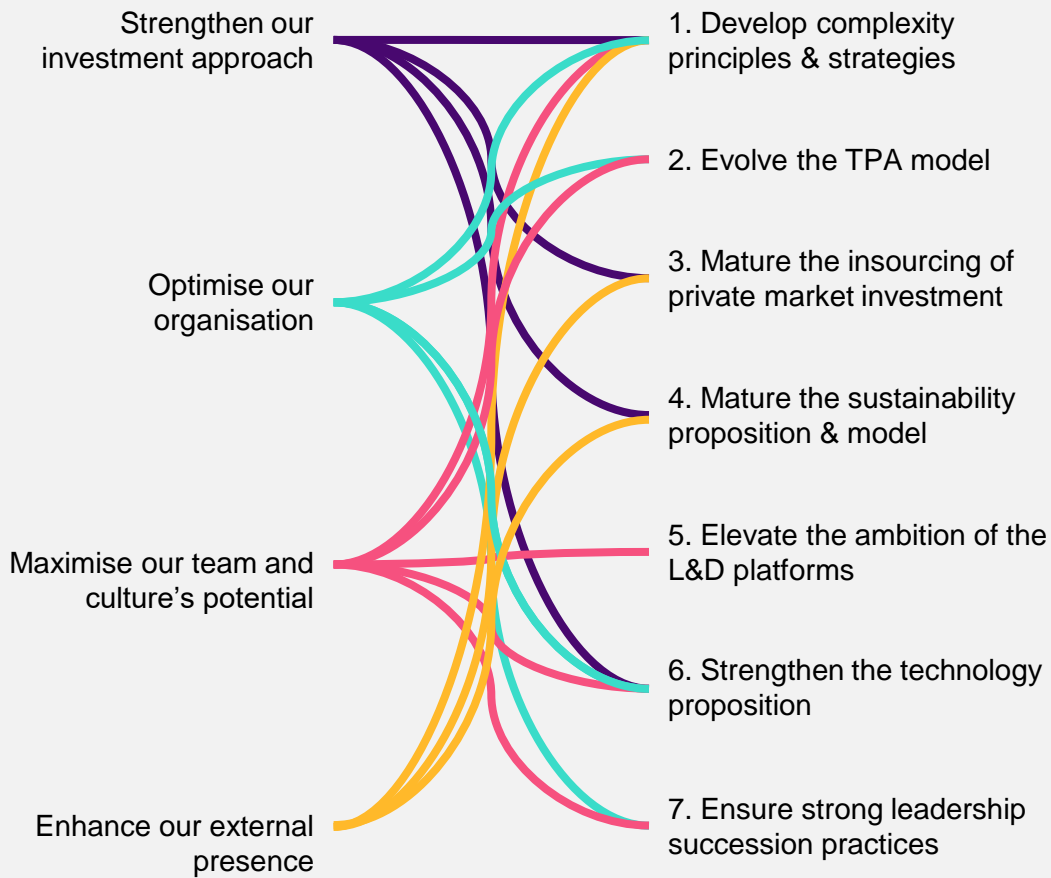
*“Nothing can be achieved without a plan, workforce and way of doing things”*

# 14 Conclusions

The organisation is in a very healthy state, but it has a number of time-sensitive challenges ahead

## The recommendations mapped with the NZSF Strategy FY2024/25

We note the following mapping of WTW recommendations (RHS) with the NZSF 'focus areas' from the 'Guardians of the Future' work and Final Strategic Plan FY2024/25 (LHS)



## Our key findings

- The Fund's results over the last five years have been excellent, reflecting the organisation's effectiveness in carrying out its mandate
- At the present time, the Guardians is in a healthy state and operating at global best practice in its activities - a state it has maintained for the past five years
- It has achieved this state principally through the inspiration of its leaders – past and present; its system design; and its culture of constant attention to improvement
- But we caveat the need for change in the next five years, in which these areas are critical to get right:
  - embedding new leadership and better leadership continuity;
  - responding to likely reductions in capital market outcomes;
  - improving the organization's system design
  - maintaining the culture within a larger and more complex organisation
  - and undergoing a technology transition.
- These are all factors that can make the organisation more resilient to headwind conditions
- Our thanks to Blair Harden, Theresa Egan and the team from NZ Treasury and to the numerous members of the Guardians' team that made our task easier

**Roger Urwin**  
Global Head of  
Investment Content

**Martin Goss**  
Co-Head Investment  
Governance, Australia

**Ellie Boston-Clark**  
Co-Head Investment  
Governance, Australia

August 2024

# Appendix: Terms used

DEI	Diversity, equity and inclusion – Diversity as the presence of differences, equity as respect for differences, inclusion as the leverage of differences
EVP	Employee Value Proposition - culture and leadership, policies and actions that attract, retain and develop the people in the organisation
OVP	Organisational Value Proposition – the value delivered to the organisation by its people
SAA	Strategic Asset Allocation
Offshoring	Asset owners that have additional investment offices in other countries from their domicile
Total Portfolio Approach (TPA)	An approach to portfolio construction that is a “more joined up” process that starts with clearly specified investment goals, and applies a competition for capital among all investment opportunities, in a dynamic approach
Universal ownership / 3D investing	Universal owners are generally very large investors that own a slice of the world economy and world portfolio. 3D investing principles align with universal ownership in managing funds to balance risks, returns and real-world impacts
Systems thinking	Emphasising the whole over the parts, the collective over the individual, the inter-connectedness, the emergent properties of the system over time
Superteams	Teams capable of outstanding results that conduct their work with exceptionally strong cultural alignment, governance, and cognitive diversity
T-shaped teams	Teams with cognitive diversity, mixing subject depth (the vertical bar of the ‘T’) and subject breadth (the horizontal bar of the ‘T’)
BbU	Business beyond usual: irregular work, tasks, and inter-actions, particularly work on initiatives and change projects





# Confidentiality and disclaimer

Towers Watson Australia Pty Ltd ABN 45 002 415 349 AFSL 229921 (“WTW”) has prepared this material for The Treasury (“you”) under the terms of our engagement with you, which principally is to carry out an independent review of the Guardians of New Zealand Superannuation (the Guardians) and the New Zealand Superannuation Fund (the Fund). This material is not intended to constitute financial product advice and has not taken into consideration your individual objectives, financial situation or needs. You should consider its appropriateness in light of your circumstances and consider seeking professional advice relevant to your individual needs before making a decision based on this material.

Our opinions and assessment of the Guardians are not intended to imply, nor should be interpreted as conveying, any form of guarantee or assurance by Willis Towers Watson, either to the intended recipient or any third party, of the future performance of the Guardians or the Fund, either favourable or unfavourable. These views are derived from our research process. It should be noted in particular that we have not researched specific legal, regulatory, administrative, taxation and accounting procedures and accordingly make no warranty and accept no responsibility for consequences arising from these areas.

This material is based on information available to WTW at the date of this material and takes no account of developments after that date. In preparing this material we have relied upon data supplied to us or our affiliates by third parties. Whilst reasonable care has been taken to gauge the reliability of this data, we provide no guarantee as to the accuracy or completeness of this data and WTW and its affiliates and their respective directors, officers and employees accept no responsibility and will not be liable for any errors, omissions or misrepresentations by any third party in respect of such data.

WTW provides a wide range of investments services and products, some of which have assisted us when considering and forming our views which underly our recommendations and suggestions contained in this report (e.g. board and management advisory services and climate-related benchmarks). For the avoidance of doubt, nothing in this report should be construed as a specific recommendation to engage WTW for these investments' services and products. In the absence of our express written agreement to the contrary, WTW and its affiliates and their respective directors, officers and employees accept no responsibility and will not be liable for any consequences howsoever arising from any third party's use of or reliance on this material or any of its contents.

