

INSIGHTS

December 2017

NZAS
RETIREMENT FUND
Your Super. Your Future.

NZASRF NEWSLETTER – DECEMBER 2017

Welcome to the December 2017 Fund newsletter. This issue includes information about the Fund as well as the latest investment returns and a brief look at some current investment market influences.

The Directors of the Trustee would also like to take this opportunity to wish all Fund members and their families a safe and happy holiday season.

RETIREMENT ACCOUNT MEMBERSHIP

If you leave your employer's service, you may be permitted to continue your membership of the Fund by transferring your Standard Balance to a Retirement Account (in which case you can also choose to leave any Locked-in Balance in the Fund).

There are strict qualifying criteria for becoming a Retirement Account member. However, if you are entitled to become a Retirement Account member, there are some significant potential advantages in doing so.

A fact sheet, Retirement Account Membership, provides details of this option, including the eligibility criteria and potential benefits, and is available under the Documents and forms tab on the [Fund website](#).

THE EFFECT OF TAKING A BREAK FROM WORK ON KIWISAVER HOMESTART GRANTS

A recent newspaper article about a woman who initially missed out on a KiwiSaver HomeStart grant highlights the need to have contributed regularly to a KiwiSaver scheme or to an 'exempt employer' scheme (such as the Fund) for at least three years in total. Periods when you are temporarily away from work (such as on parental leave) do not count unless you contribute the applicable minimum amount during those periods.

To qualify for the grant, a person is expected to have contributed for at least three years at a rate at or above the minimum allowable rate, which is currently (as applicable):

- 3% of gross income; or
- 3% of the gross adult minimum wage (which currently equates to around \$20 a week) for non-earners; or
- 3% of the annual benefit for beneficiaries.

Just contributing the minimum \$1,042.86 needed to be eligible for the maximum annual government contribution is not automatically considered enough to qualify for a HomeStart grant.

The amount of the grant varies, depending on whether you are purchasing an existing home or a new home (or land on which to build a new home). For someone purchasing an existing home, the grant is worth a minimum of \$3,000 and a maximum of \$5,000, and for someone purchasing a new home or land to build a new home on, it is worth a minimum of \$6,000 and a maximum of \$10,000.

The grants, which are administered by Housing New Zealand, are subject to qualifying criteria including income and house price caps. More information about the grant is available [here](#). Any queries about KiwiSaver HomeStart grants should be directed to Housing New Zealand and not to the Fund Secretary or the Trustee.

DID YOU KNOW?

The Fund's website is 'mobile enabled', which means that when you access the Fund website it will be displayed in the format best for the device you are using. That could be an iPhone, iPad, BlackBerry, Android, etc. A traditional website that's not mobile enabled, when accessed using a smart phone, is very difficult to read unless you zoom in several times and then you have to scroll left to right to see all the content on the page. With a mobile enabled website, the navigation and content is reorganized so that it fits the browser window for the device used, and the pages are made "lighter" so they download quickly.

THE MARKETS

The last few months to the end of November were positive for global investment markets, with all major asset classes gaining ground. Backed by positive economic news, global equity markets showed no real weakness, apart from taking a short breather in August. Fixed interest investments also performed reasonably well during the period, countering signs that the global economy was improving and that central banks might soon start increasing interest rates.

Political uncertainty continued to dominate headlines though, with tensions between North Korea and the US commanding most attention. Investors continued keeping their eyes on central banks, as hints of official interest rate increases in the near term surfaced.

In New Zealand, apart from our dollar weakening against all the major currencies, the general election had no real impact on local investment markets. The NZX50 reached record levels during October, while the Reserve Bank of New Zealand appeared likely to hold the Official Cash Rate at 1.75% for some time yet.

INVESTMENT OPTION RETURNS

The following table shows returns (after tax and investment-related expenses) for each of the Fund's four investment options for periods ended 31 October 2017.

	Growth	Balanced	Conservative	Cash
Fund year-to-date (4 months)*	7.3%	5.0%	3.0%	0.5%
1 year	19.6%	13.0%	7.2%	1.5%
3 years (p.a.)	11.1%	8.3%	5.7%	2.0%
5 years (p.a.)	13.2%	9.7%	6.4%	2.2%
10 years (p.a.)	5.3%	5.2%	4.8%	2.7%

UPDATED FUND DOCUMENTS ARE AVAILABLE

The Fund's product disclosure statement (PDS) and other material information (OMI) document have recently been updated.

Annual fund update documents for each of the Fund's four investment options have also been prepared for the year ended 30 June 2017. These let you see how each option performed over that year, the fees charged and what it was invested in as at 30 June 2017. The fund updates follow a standard format so you can easily compare the risks, returns and fees with other similar investments.

All of the above documents are available [here](#) as well as on the [Companies Office Disclose website](#) (enter 'NZAS' under 'Search Offers').

CHRISTMAS HOLIDAYS

Mercer, the Fund's administration manager, will be closed from Friday 22 December, reopening after the holiday break on 3rd January.

The help desk will be open throughout the holiday period, apart from public holidays.

General disclaimer: Information in this newsletter is not intended to be financial advice or take the place of a financial adviser. The information in this newsletter is for general information only, and has been prepared by NZAS Retirement Fund Trustee Limited (the issuer of the Fund) without taking account of your personal objectives, circumstances or needs. More information about the Fund can be found in the most recent Product Disclosure Statement, a copy of which is available at www.realsuper.superfacts.co.nz.

NB: Past performance cannot be relied upon as a guide for future performance.