

INSIGHTS

MARCH 2024

NZAS 
RETIREMENT FUND
Your Super. Your Future.

Message from the Trustee

Welcome to our newsletter! We have some valuable content to share with you in this edition.

First, we have an article that provides helpful tips on setting financial resolutions and offers resources to help you improve your overall financial wellbeing. It's always a good idea to take steps towards a healthier financial future, and we're here to support you along the way.

Next, we provide you with the latest available investment returns for the Fund (to 31 January 2024) and some financial market commentary. Staying informed about market trends can help you make well-informed decisions about your investments.

We also update you on some recent improvements to the Fund's withdrawal facilities. It's important to stay in the loop and understand how these changes may impact you.

Lastly, we are excited to announce the prize winners following our recent member survey. Thank you to everyone who participated. Your feedback is invaluable, and it helps us enhance our services to better meet your needs.

As always, if you have any questions or need further assistance, you can write to us at nzasrf@mercero.com, or please call the Helpline on 0508 266 787.

Regards,

NZAS Retirement Fund Trustee Board



New year, new financial resolutions

Are you still working on your resolutions for this year? One important resolution to consider is regularly reviewing your retirement savings, as this plays a crucial role in helping secure your financial future. Here are some tips to help you stay on track:

- **Ensure you are in the right investment option:** Staying in an investment option that is not appropriate for your circumstances, life stage or risk appetite may negatively impact how much you will have at retirement. The Fund offers four investment options, allowing you to choose the investment strategy that you consider best suits your personal situation.
- **Consult a financial adviser:** Speak with a financial adviser to discuss your financial goals and get personalised advice. You can find more information and resources [on our website](#).
- **Update your contact details:** Log in to the [Fund website](#) and ensure your contact details are up to date. This way, you will receive the latest information about the Fund and your investments promptly.
- **Stay informed:** Take the time to read the [Fund documentation](#) on topics that interest you. Additionally, revisit the [Product Disclosure Statement](#) to familiarise yourself with all the benefits available to you.

By following these tips, you can take control of your retirement savings and work towards a financially secure future.

Financial wellbeing resources

Financial wellbeing refers to how well someone can meet their current and future financial needs. To achieve financial wellbeing, it is important to develop good spending and savings habits, have clear financial goals for both the present and retirement, and take practical steps to achieve those goals. The tools mentioned below not only help with saving money, but also encourage positive changes in money management habits, assist with budgeting, and aid in long-term financial planning.



Budgets act as roadmaps for your finances, helping you keep track of how much you spend and save. This tool creates a visual representation of the money you earn and spend, so that you can make the most of your funds:

[Budgeting tool » Sorted](#)



The Financial Services Council (FSC) has published a handy guide to successful retirement planning. This guide includes the New Zealand Society of Actuaries' rules of thumb to assist members during their 'spend in retirement' phase:

[FSC Retirement Planning Guide](#)



By using this tool, you can assess your financial situation to determine whether you are on track for the retirement lifestyle that you desire:

[Retirement calculator » Sorted](#)



You can access a wealth of information on financial advice and where to get it from the link below:

[Getting advice » FMA](#)



This tool enables you to visualise the growth of your savings over time, especially with the help of compounding investment earnings:

[Savings calculator » Sorted](#)



Get in touch with MoneyTalks if you need help with day-to-day money matters like budgeting and debt management:

[MoneyTalks](#)

Investment option returns

The following table shows investment returns (after tax and investment-related costs) for each of the Fund's four investment options for the stated periods, each ended 31 January 2024.

	Cash	Conservative	Balanced	Growth
Fund year to date (3 months)	2.42%	2.59%	2.83%	2.97%
3 years (p.a.)	2.4%	1.3%	2.1%	3.3%
5 years (p.a.)	1.7%	3.0%	4.7%	6.7%
10 years (p.a.)	1.9%	4.1%	5.9%	8.0%

You can find the [latest earning rates](#) and general information about [how financial markets are performing](#) on the Fund website.

Investment Insights

Want to find out how the markets are performing and how key trends are influencing your investments? Watch this edition of Investment Insights.

Guillaume Dehan, Portfolio Strategist & Sustainable Investment, shares insights from Mercer's global network of investment experts, covering:

- How the markets performed in the final quarter of 2023.
- The current state of the bond market.
- China's economic recovery and the challenges it is currently facing.
- Tech stocks and if they are likely to dominate sentiment.
- Key themes to watch out for in 2024.



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Market update

For period ending 29 February 2024

A glossary of terms is included for this update, and you can read more on our [website](#).

The last quarter of 2023 began in a similar way to how the previous quarter ended, with some ups and downs in the stock markets. However, the markets quickly bounced back and started to rise again, reaching levels close to their highest points in 2023. Both **equities** and **bonds** saw strong returns after a poor start in October, with November providing the strongest set of monthly returns in over three years.

US markets received a leg-up as investors reacted with fervour at the prospect of rate cuts in 2024. With market commentators pronouncing the rate hiking cycle to be at its end and rhetoric from the **US Federal Reserve (Fed)** striking a **dovish** tone, markets jumped at the first sign of a let-up in rates. Of particular note were the S&P 500 and NASDAQ, which were up 11.7% and 13.8%, respectively. As we have seen more than once in this cycle, Wall Street eagerly anticipated significant rate cuts, pricing in sharper and more prompt rate cuts than were being communicated by **Fed** officials.

This expectation of imminent rate cuts also fed through into global bond markets, with yields falling across the curve in response. However, the Bloomberg Global Aggregate Bond Index (100% hedged to NZD) still returned 5.7% over the quarter.

US economic data softened through the quarter, with annual rate of increase in the US **Consumer Price Index (CPI)** slowing from 3.7% to 3.2% in October and then to 3.1% in November. The economic growth rate for Q3 was revised down to an annualised 4.9% from 5.2%. Job growth also slowed in the US as unemployment hit 3.7%, while non-farm payrolls were up approximately 180,000 in November and 150,000 in October, both short of the 2023 average.

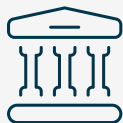
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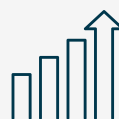
Equities: These are also known as stocks/shares. Buying equities can give you partial ownership in a company, which means you can earn profits if the company does well.



Bonds: A bond is a loan to a company or government that pays investors a fixed rate of return over a specific timeframe.



US Federal Reserve (Fed): Often referred to as the Fed, this institution serves as the central bank of the United States. It is tasked with managing the country's monetary policy, including setting interest rates.



Dovish: A dovish monetary policy means policymakers (like the Fed) favour measures to stimulate economic growth, like lowering interest rates or expanding the money supply to boost the economy.



Consumer Price Index (CPI): The CPI tracks average price changes for goods and services over a period of time, to indicate inflation in the cost of living.

Recent improvements to the Fund's withdrawal facilities

We recently announced two improvements to our withdrawal facilities for members of the Fund, which came into effect on 2 February 2024.

Firstly, we have revised our first home purchase withdrawals facility to make more of a qualifying member's savings available to them when making a withdrawal to buy their first home or land. Previously, members were only able to withdraw from their locked-in account (if any) for this purpose. However, under a recent Trust Deed amendment, qualifying members can now also access their standard account balance. After the withdrawal, a member must leave at least \$1,000 in their locked-in account (if any) or otherwise in their standard account. This change aims to support our members in achieving their home ownership goals and building a secure future.

Secondly, in response to member feedback, retirement account members (i.e. those who have been permitted, and have chosen, to leave money in the Fund after leaving NZAS' employment) now have additional withdrawal options. Previously, those members could make a full withdrawal or a lump sum partial withdrawal from their retirement account. Now, they also have the option to set up a regular monthly withdrawal, paid on the 20th of each month (or on the nearest working day). Additionally, retirement account members who invest in two or more investment options can now choose the investment option from which any regular or partial withdrawal amount is debited. This gives them more control over the ongoing investment of their Fund balance.

We are committed to continuously improving our services and offerings to meet the evolving needs of our members. These changes provide more flexibility in accessing and managing retirement savings. If you have any questions or need assistance with your account, please contact the Helpline on 0508 266 787 or visit the 'Documents' page on the [Fund website](#).

[Contact us](#)



Member survey

We love getting your feedback about the Fund as it helps us refine our services and communications. We recently invited all members to participate in a survey, and we wish to thank everyone who took time to have their say. Thank you!

We are currently in the process of collating the results and are excited to share the highlights in the next newsletter. Stay tuned!

Everyone who participated went into the draw to win one of two \$100 Prezzy Cards. Congratulations to Joseph Wynne and Daniel Moody for winning the prize draw.

Your Trustee Directors

You're welcome to contact any of your Trustee Directors if you have any questions about the Fund. Their details are [online](#) or you can call them on their direct lines:

Site-based Trustee Directors

Paula 03 218 5571

Andrew 03 218 5989

Karen 03 218 5689

Offsite Trustee Directors

Tim 027 453 5565

Torsten +61 436 637 410

Bruce 027 284 0481

Allan 027 216 7312

Grant 022 071 3117

Any questions about the Fund? You can contact the Helpline on **0508 266 787** (Australia 03 8687 1849, and international +61 3 8306 0964) between 9am and 7pm Monday to Friday, except for national public holidays.

General disclaimer: Information in this newsletter is not intended to be financial advice or to take the place of a financial adviser. The information in this newsletter is for general information only, and has been prepared on behalf of 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 Fund's most recent **Product Disclosure Statement**, a copy of which is available at www.nzasretirementfund.com. Past performance cannot be relied upon as a guide for future performance.

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