

INSIGHTS

MARCH 2025



Message from the Trustee

Welcome to the first edition of Insights for 2025.

First, we provide an update on the new login process for your online account, which will simplify your experience by allowing you to log in using only your email address and password.

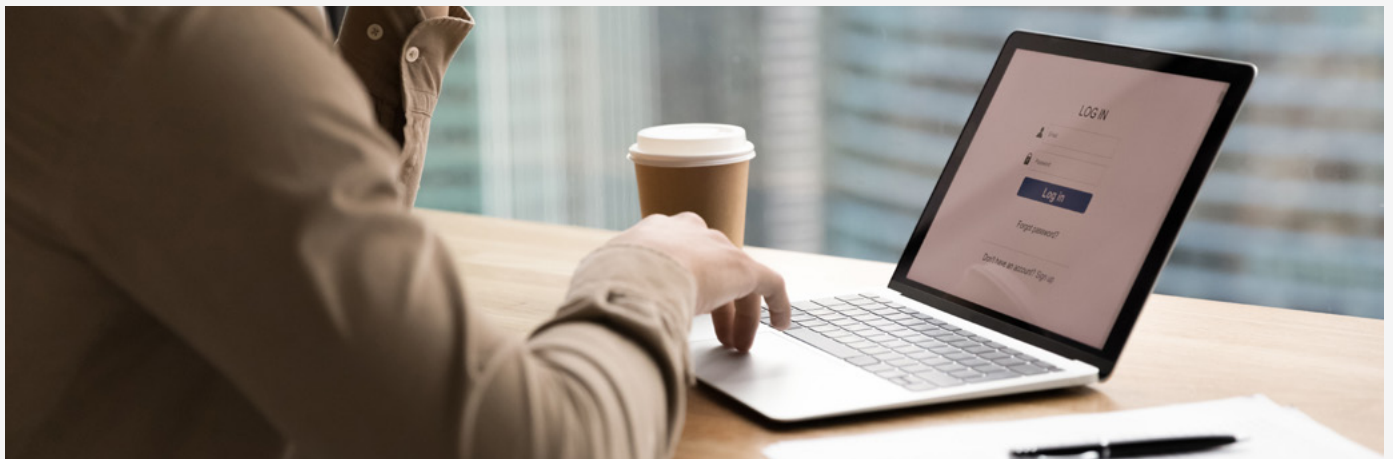
Next, we want to remind all members to review their communication preferences to ensure you receive all essential updates. We also want to highlight the educational sessions organised by NZAS in December, which focused on preparing for retirement and introducing the Fund.

As a member of the NZAS Retirement Fund, you have access to a range of benefits, including investment choices, insurance coverage and regular updates on your investments. We encourage you to explore these benefits and stay informed about the options available to you.

We are here to support you every step of the way! If you have any questions or need assistance, please don't hesitate to reach out to us at nzasrf@mercer.com, or give our Helpline a call on **0508 266 787** (or +61 3 8306 0964 if calling from overseas).

Regards,

NZAS Retirement Fund Trustee Board



New login process

On 5 March, the way you log in to your online account changed. The change simplifies the login process to just your email address and password. The next time you activate your online account, you will no longer need a member number or have to contact the Helpline for PIN resets.

If you haven't set up your new login details yet, your next sign-in will require a one-time activation where you'll need to provide your membership number, date of birth, and email address. After that, you'll establish security methods such as email, password and mobile number for multi-factor authentication. If you have any issues, contact the Helpline on 0508 266 787. For any further queries regarding the new sign in process, we have prepared a set of FAQs. You can access them under *Fund news* on the following page:

[Latest news](#)

Employee Education Sessions, Q4 2024

In December, NZAS took the initiative of organising two superannuation-related educational sessions for its employees. These Mercer-led sessions were a great opportunity to learn about the Fund and for employees to ask questions. The sessions were based around two themes: 'Preparing for retirement' and 'Introduction to the Fund'.

The Trustee board would like to extend their gratitude to NZAS for facilitating these invaluable sessions, as well as to those Trustee board members who attended. For those who were unable to attend either session, we have made the slide packs available for your review, ensuring that you have the opportunity to see the information presented.

You may access the slide packs via the links provided below:

[NZAS Retirement Fund and Planning for Retirement](#)

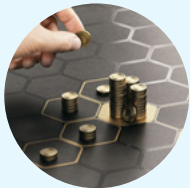
[An Introduction to the NZAS Retirement Fund](#)

The Trustee board is currently engaged in a review of the Fund-related materials that are provided to new employees, as well as evaluating the most effective methods of communication with Fund members. For those seeking further details about the Fund, additional information can be found on the following page:

[About us | NZAS Retirement Fund](#)

NZAS Retirement Fund member benefits

As a member of the NZAS Retirement Fund (the Fund), you have access to a range of benefits designed to support your financial growth and security. Here are some of the key advantages of being part of the Fund:



Investment Choice: The Fund recognises that each member has unique financial needs. To cater to this diversity, it offers a choice of up to four investment options: Growth, Balanced, Conservative and Cash. Each option has a different asset allocation and return objectives, allowing you to select the strategy that best aligns with your risk tolerance and financial goals.



Access to your savings: One of the significant recent developments in the Fund is the addition of a facility for members to withdraw funds from their standard account balances to purchase their first home (provided they meet withdrawal criteria which are the same as those for KiwiSaver). This change, introduced in January 2024, allows you to utilise more of your savings for one of life's most important investments, making home ownership more accessible.



Insurance coverage: The Fund provides insurance benefits, including death, total disablement and ill-health cover, with premiums deducted from members' accounts.



Support for retirement: The Fund is dedicated to helping its members achieve a comfortable retirement. During the year ended 31 December 2024, the Fund welcomed 113 new members and assisted 198 members in accessing their savings. This included 96 partial withdrawals and deferred member withdrawals, including support for first home purchases. The Fund paid out over \$13.3 million in full withdrawals and \$6 million in partial withdrawals, showcasing its commitment to member welfare.



Regular updates and communication: Members are encouraged to stay informed about their investments and the Fund's performance. Regular updates and communications are now sent to the email addresses provided by members, ensuring they receive timely information about their accounts and the Fund's developments.

Market update

For period ended 28 February 2025

In the quarter ended 31 December 2024, there was significant market variation across regions and sectors. Overall, global equities ended the year positively, boosted by the conclusive victory of Donald Trump in the US presidential election in November, though this positivity was arguably more about calming the fears of social unrest that had escalated leading into the election than it was about optimism for the American economy’s prospects looking forward.

It wasn’t all positive, however, as the outlook for emerging markets and more sustainable, pro-environmental businesses and strategies took a hit in the wake of the election result. The potential inflationary effects of widespread and substantial tariffs (if imposed by the US) also tempered expectations of further interest rate cuts in 2025. This took some of the heat out of the post-election rally in equities in December and weighed on returns from fixed interest markets (which tend to be higher when interest rates are expected to decrease). As a result, global fixed interest returns were negative for the final quarter of 2024.

In contrast, the Reserve Bank of New Zealand (RBNZ) implemented two consecutive 0.5% cuts to the Official Cash Rate (OCR) during the quarter, as the Consumer Price Index and core inflation returned to within the RBNZ’s 1-3% target range. The OCR ended the year at 4.25%, down from a high of 5.5% in mid-2024. These relatively aggressive cuts helped New Zealand equities and bonds to deliver positive returns for the December quarter.

The inauguration of US President Donald Trump on 20 January 2025 and the release of the latest version of the Large Language Model by the Chinese artificial intelligence (AI) company DeepSeek were significant factors influencing investment markets in the opening month of 2025. What followed was a raft of executive orders in the US (including substantial tariffs on its largest trading partners, Canada, Mexico and China) and questions over the continued dominance of the Magnificent 7 in the AI sector.

All the Fund’s investment options performed ahead of their respective benchmarks in January, driven in particular by outperformance in the Global equities sector. However, February had a mix of sharp weekly and monthly losses as investors worried about the economic impact of tariffs, inflation and rising geopolitical tensions.

Investment 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 2025.

	Cash	Conservative	Balanced	Growth
Fund year to date (7 months)	2.21%	4.89%	7.37%	10.25%
3 years (p.a.)	3.6%	2.5%	2.9%	3.8%
5 years (p.a.)	2.3%	2.6%	3.9%	5.5%
10 years (p.a.)	2.0%	3.8%	5.6%	7.6%

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



Reminder to watch Investment Insights videos

We want to take a moment to encourage you to continue watching the *Investment Insights* videos available on the Fund website (we recently uploaded the first edition of *Investment Insights* for 2025).

These videos are a valuable resource designed to enhance your understanding of the investment landscape and help you make informed decisions regarding your retirement savings and finances in general. Each video offers expert analysis and insights that are crucial for navigating the complexities of investment strategies and market trends.

Your financial future is important and we are here to support you every step of the way!

You can access the videos at the following link:

Investment Insights Videos

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

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Allan 027 216 7312

Grant 022 071 3117

Any questions about the Fund? You can contact the Helpline on **0508 266 787** (Australia 03 8306 0964, 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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