

# INSIGHTS

JULY 2023

**NZAS**   
**RETIREMENT FUND**  
*Your Super. Your Future.*

## Message from the Trustee

In this second edition of Insights for 2023, we include an article on compounding returns and we remind members to have their important documents like Wills and Powers of Attorney sorted. You will also learn that we've updated our process and policy to reflect NZAS' current policy regarding parental and other unpaid leave.

We feature the usual market commentary and investment returns information, as well as a reminder for you to check your contact details ahead of the distribution of the annual report and member statements, which is only a few months away.

We would like to welcome to the Trustee Board Torsten Becht, who joined us on 1 April 2023 as an offsite Trustee Director. Torsten is a Service Delivery Lead for Rio Tinto, based in Australia, and is a great addition to the Board.

As always, we look forward to hearing your feedback on the annual report and newsletters. You can either write to us at [nzasrf@mercero.com](mailto:nzasrf@mercero.com) or [give us a call](#) so we can continue to improve every year.

For any questions on this newsletter or the Fund, please call Helpline on **0508 266 787** (or +61 3 8306 0964 if calling from overseas).

Regards,

NZAS Retirement Fund Trustee Board



## Compounding returns

Compounding returns (commonly described as "compound interest") are an important concept in the financial world. In simple words, the concept means that you receive investment earnings on not just your principal amount but also on the prior investment earnings from that amount. Compounding returns are slightly different to simple interest, which is calculated only on the initial principal amount or deposit.

You can read more about compounding returns below.

[Read more](#)

## Gentle reminders

### Are your contact details correct?

You will receive your member statement and annual report for the year ended 30 June 2023 in September. Now would be a good time to log in at the Fund's website to ensure that your contact details are correct, so that you will receive these important documents without delay.

[Log in](#)

### Do you have a Will?

Make sure your loved ones are taken care of and your assets are distributed how you want. Read more about the importance of having a Will and how to make one on Sorted:

[How to make a will](#)

## Estate planning – enduring powers of attorney

An enduring power of attorney (EPA) is a legal document that gives someone you trust (referred to as your “attorney”) the power to make decisions on your behalf if you lose the ability to make those decisions yourself. There are two types of EPA:



### EPA for personal care and welfare

This EPA gives someone the power to make important decisions regarding your health and welfare, such as choosing an assisted living facility or deciding on (or refusing) medical treatment. However, it only comes into effect when a health practitioner certifies or a court determines that you have lost your mental capacity to make such decisions.



### EPA for property

This EPA gives either one or more individuals or a trustee corporation power to make decisions in relation to your money and property. You can decide whether you wish this to take effect immediately or only if and when you lose your mental capacity.

When making decisions on your behalf, your attorney(s) must follow any conditions or restrictions set out in the relevant EPA.

The Citizens Advice Bureau shares [some things to consider when choosing to give someone power of attorney](#).

You can set up an enduring power of attorney through your lawyer or a trustee corporation.

[Read more](#)

## Market update

### Period ending 31 May 2023

2023 started positively as capital markets experienced their strongest January gains in recent years. The ‘risk-on’ sentiment resumed as inflation continued to moderate in developed regions (with easing energy and food prices the most obliging) and peak interest rates moved back into focus. In the US, headline inflation cooled for a sixth successive month to 6.5% year-on-year (y/y) in December from 7.1% a month earlier. In fixed income, bond yields fell after encouraging news on the inflation front.

Supplied by: Mercer Investments team

[Read more](#)

## 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 May 2023:

	Cash	Conservative	Balanced	Growth
<b>Fund year to date (11 months)</b>	3.44%	2.83%	3.54%	5.20%
<b>3 years (p.a.)</b>	1.5%	1.6%	3.3%	5.5%
<b>5 years (p.a.)</b>	1.4%	2.4%	3.7%	5.2%
<b>10 years (p.a.)</b>	1.7%	3.9%	5.9%	8.0%

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

## Unpaid parental and other leave – updates to reflect current NZAS policy

Under current NZAS policy:

- if an employee member takes unpaid parental leave then NZAS will continue contributing to the Fund during the unpaid parental leave period, whether or not the member also continues contributing during that period; and
- if an employee member dies or suffers Total Disablement while on unpaid parental leave (or on unpaid leave that is otherwise NZAS-approved) then, whether or not the member has also continued contributing during the leave period, they remain entitled to the additional one times salary component of the death or Total Disablement benefit (as well as the insurance component).

Before the adoption of the current policy, if an employee member took unpaid leave for any reason and did not continue contributing, both NZAS' contributions and the additional one times salary benefit payable in the event of death or Total Disablement were suspended during the leave period.

The Trust Deed has been amended to reflect NZAS' current policy and, as a result, the relevant forms on the website have also been updated.

If you intend taking parental or other unpaid leave, you will need to complete the relevant form. Please note that you must submit the completed form to NZAS Human Resources at least 30 working days before your leave commences.

[NZAS8 Unpaid Leave - Contribution Options Form](#)

[NZAS8A Parental Leave - Contribution Options Form](#)

## 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

Allan 03 218 5811

Karen 03 218 5689

### Offsite Trustee Directors

Tim 0274 535 565

Torsten +61 436 637 410

Bruce 027 284 0481

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 8687 1849) between 9am and 7pm Monday to Friday, except for national public holidays.

General disclaimer: 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](http://www.nzasretirementfund.com). Past performance cannot be relied upon as a guide for future performance.

© 2023 Mercer (N.Z.) Limited.