



MESSAGE FROM THE TRUSTEE

As we are now well into the new year (and new decade!) this is a good reminder to take a moment to log into your online account, use online planning tools, and ask questions of your financial adviser and Helpline team to keep up to date on how your long term savings are tracking. It's important to understand your investments and the level of risks and potential returns involved.

This edition includes updates on financial market performance in Q4 of last year, recent impacts from the coronavirus outbreak and the Fund's returns, an update on the Fund review, a reminder about the change to the death benefit payment process, and an interview with your Helpline team.

Regards,

NZAS Retirement Fund Trustee Board

Got any questions about the Fund or content in this newsletter? Please either call Helpline on **0508 266 787** (within New Zealand), visit www.realsuper.superfacts.co.nz, or contact one of the Directors on their details below.

THE MARKETS - CORONAVIRUS IMPLICATIONS

2019 was a bumper year for share markets, and December was no exception. Progress towards achieving a Phase One trade deal between the US and China fuelled the rise, supported by indications that global interest rates would remain largely 'on hold' during 2020.

January proved to be an eventful month. After a strong start with the signing of the Phase One trade deal, things worsened as the coronavirus epidemic emerged and triggered a sell-off in global share markets in the final week of the month. The recent spread of the virus (now officially a pandemic) will only add to the uncertainty and significantly widen the range of possible outcomes for global economic growth. However, if the downward trend of new cases in China continues, Chinese authorities may loosen restrictions on business in those provinces deemed less at risk of spread, enabling economic activity to resume.

[Read more >](#)



TOP ASSET CLASS PERFORMERS OF 2019 REVEALED

What asset class do you think delivered the highest return during the 2019 calendar year? Was it global shares? Emerging markets? Or the New Zealand share market? The results are now in for the winning asset classes for 2019!

[Read more >](#)

INVESTMENT OPTION RETURNS

The following table shows returns (after tax and investment-related costs) for each of the Fund's four investment options for the periods ended 29 February 2020:

| | Cash | Conservative | Balanced | Growth |
|-------------------------------------|------|--------------|----------|--------|
| Fund year-to-date (8 months) | 0.7% | 2.2% | 2.7% | 3.1% |
| 1 year | 1.2% | 5.1% | 7.1% | 8.8% |
| 3 years (p.a.) | 1.4% | 4.9% | 7.0% | 9.2% |
| 5 years (p.a.) | 1.7% | 4.5% | 6.2% | 8.0% |
| 10 years (p.a.) | 2.1% | 5.3% | 7.3% | 9.3% |

The Trustee Board and Investment Consultant will continue to monitor economic developments globally including the domestic and regional impacts of the fast-moving COVID-19 crisis.

FUND REVIEW UPDATE

The November 2019 member newsletter advised that the Fund Review (communicated in the September 2019 member newsletter) had been placed on hold until after the completion of a strategic review of NZAS, and that an update on the review would be provided in the first quarter of 2020.

The Trustee Directors have received no further information on the Fund Review and are therefore unable to provide an update at this time. Members will be informed of any developments.

The Trustee Directors wish to thank everyone who has asked questions and given feedback regarding the Fund Review. Your questions and feedback are important to the Trustee and we appreciate the time taken to communicate with us.

DEATH BENEFIT CHANGES

The rules for distributing death benefits from the Fund began changing (in stages) on 1 January 2020.

To date, the Fund's Trust Deed has required that when you die, your death benefit (other than any locked-in balance, which must be paid to your estate) is payable at the Trustee Directors' discretion to all or any of your nominated beneficiaries, your estate, or any person to whom we consider you owed a legal or moral obligation of support.

Those provisions, and the resulting need for the Trustee Directors to make detailed enquiries in order to inform their decision-making, have led in practice to administrative complications, delay and uncertainty. The Trustee Directors also wish to ensure better protection for members' and their dependants' personal privacy, by not having to delve for fact-finding purposes into personal and family circumstances at a difficult time.

This change impacts (or will soon impact) members in the following ways:

New members (those who joined the Fund on or after 1 January 2020) will now have any death benefits paid automatically to their estates.

Existing members (those who joined the Fund before 1 January 2020) will continue with the current death benefit arrangements until 30 September 2020 (and can continue updating their nominated beneficiaries, using the NZAS5 Change of nominated beneficiary form, until 30 June 2020) but from 1 October 2020 any death benefits will begin being paid automatically to their estates.

The requirement to pay any death benefit from the Fund automatically to your estate will mean, in effect, that a valid Will operates as a binding direction concerning how that benefit is to be paid. This makes it even more important to have a Will and keep it up to date, especially when your personal circumstances change.

[Read more >](#)

ESTATE PLANNING - MORE THAN JUST A WILL

Protect what's important to you by planning ahead. Make sure your loved ones are taken care of, and your assets are distributed how you want, if something were to happen to you So, how prepared are you?

[Read more >](#)

LOCKED-IN BALANCES - LIFE-SHORTENING CONGENITAL CONDITION WITHDRAWALS FACILITY

On 1 April 2020 a new early withdrawal ground is being added to the KiwiSaver and complying superannuation fund (i.e. lock-in) rules.

The change responds to issues raised in 2018, when Tim Fairhall (with Down Syndrome and a life expectancy of around 57) raised the concern that those rules discriminate against persons with conditions causing premature aging.

A Fund member with a locked-in balance can now withdraw an amount up to the full value of that balance at any time before age 65 if they suffer from a condition that is congenital (i.e. has existed since they were born) and is either:

- identified by regulation as a life-shortening congenital condition (one generally likely to reduce the life expectancy for persons with the condition to below age 65), or
- one for which they have medical evidence to verify that the condition is expected to reduce life expectancy below age 65 (either for them or generally for persons with the condition).

HOW MUCH MONEY DO YOU NEED IN RETIREMENT?

The gap between how much money retirees receive from NZ Super and how much they spend is growing. Many retirees today top up their NZ Super to maintain the lifestyle they want. The latest Retirement Expenditure Guidelines* (as at 30 June 2019) produced by the Westpac Massey Financial Education and Research Centre found that many New Zealanders are working beyond age 65 to pay for the shortfall. The report splits the level of expenditure into 'No Frills' and 'Choices'.

How much money do you need in retirement? Are you on track to reaching the retirement lifestyle you want? One tool that may help you answer these questions is the [Retirement Planner by Sorted.org.nz](#). See if you're on track financially, or what adjustments you could make that may help you get there.

* The full report is available on Massey University's website www.massey.ac.nz.

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KIWIS SPEND MORE TIME PICKING MOVIES THAN CHECKING THEIR RETIREMENT SAVINGS

Many New Zealanders spend longer choosing a movie to watch than checking their retirement savings, reveals the Financial Markets Authority. A [recent survey](#) of 1,100 New Zealanders found that four out of five people took up to 10 minutes to choose a movie, but only just over half of those surveyed spent the same time reading their annual statement. The statement has all the information in one place that members need to check they are on track.



TOP TIPS FOR CHECKING YOUR RETIREMENT SAVINGS ARE ON TRACK

Setting financial goals (and sticking to them) can play a big role in helping you achieve the retirement lifestyle you want. Here are our top tips to checking you're on track...

[Read the full story >](#)

YOUR HELPLINE: BEHIND THE SCENES CHAT WITH LUKE

We speak with Luke, one of the Helpline team members who answers the phones, about what commonly asked questions members have, his role, and when someone should call the team.

[Read the full story >](#)

Helpline are available Monday to Friday 9am to 7pm (except national public holidays), on **0508 266 787**



YOUR TRUSTEE DIRECTORS

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

Site Based Trustee Directors

Stewart 03 218 5442
Paula 03 218 5571
Grant 03 218 5541
Allan 03 218 5811
Karen 03 218 5689
Kim 03 218 5911

Offsite Trustee Directors

Tim 0274 535 565
Stephanie +61 407 718 161

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.