

# Your Super Newsletter

August 2025

Welcome to the second edition of Your Super Newsletter for 2025.

This edition at a glance:

- » 2025 Annual Report and Member Statement
- » Celebrating Money Month
- » Using Sorted's new Retirement Navigator tool
- » New Zealand Budget 2025: KiwiSaver changes
- » Profiling the Conservative Fund: Key insights for members
- » Investment commentary and investment performance

As always, we welcome your feedback and questions on the information in this edition, please don't hesitate to reach out to our Helpline team on [0800 355 900](tel:0800355900).

Best wishes,

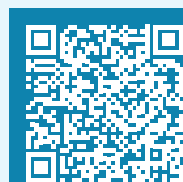
**Tim McGuinness (Chair) and the Trustee Board.**

## Have you reviewed your 2025 DISS Annual Report?

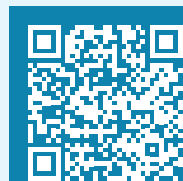
The combined Annual Report and Member Statement for the year ended 31 March 2025 were sent out in July. Depending on your communication preferences, you should have received your copy either by email or post. You can also view your report anytime by [logging into](#) our website.

These documents offer valuable insights into the Scheme's performance, compare the Scheme's returns to KiwiSaver scheme median, and provide an estimate of your future retirement balance. Having this information at your fingertips helps you assess whether your current savings are on track to support your desired retirement lifestyle.

If you're considering adjusting your investment approach, we suggest exploring the financial [planning tools](#) available on our website. We also welcome your feedback on these documents by emailing us at [dairy@mercer.com](mailto:dairy@mercer.com).



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Financial  
planning tools



THE DIFFERENCE IS  
AN EMERGENCY FUND.

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## August is Money Month!

Sorted's Money Month is an annual campaign coordinated by Te Ara Ahunga Ora Retirement Commission. The campaign aims to engage people in discussions about money, motivating New Zealanders to take simple steps to become financially resilient and grow their money. This year the focus is on **building resilience** of Kiwis by encouraging **emergency savings**.

### Are you prepared for the unexpected?

Having an emergency fund is like a financial safety net that can help you stay in control when unexpected costs pop up, like a car breakdown or a surprise bill. Building this savings fund gives you the power to handle life's surprises without falling into debt or stress. Everyone's emergency fund requirements will be unique to their personal situation, including expenses and income. It can be hard to reach your goals without an emergency fund. Start yours now to avoid dipping into other savings or getting into debt when the unexpected hits.

Visit the [Money Month page on the sorted website](#) to access tools and other resources to ensure you're informed about the importance of financially preparing for emergencies.

Money Month  
page



## New retirement planning tool from Sorted

Curious about how much income your retirement savings could generate?

[Sorted.org.nz](https://sorted.org.nz) has launched a new user-friendly tool called the **Retirement Navigator**. This online guide helps you plan your retirement spending by walking you through four simple 'rules of thumb' for drawing down your savings gradually over your retirement years. These four options are the **4%**, **6%**, **fixed date** and **life expectancy** approaches. You can learn more about these in the [online guide](#) on Sorted's website.

The tool then shows how your chosen approach could play out financially each year, giving you a clear picture of your retirement income. You can even tweak scenarios to see how different strategies might impact your future. Designed primarily for those within 10 years of retirement - though anyone can benefit - the Retirement Navigator is a valuable resource to help you make informed decisions and plan confidently for your retirement. You can access the Retirement Navigator below:



## New Zealand Budget 2025 – what you need to know

The following changes only impact members who contribute to KiwiSaver in addition to the Dairy Industry Superannuation Scheme (the Scheme) and are employed by a participating employer. If you only contribute to the Scheme, there is no overall change to your level of contributions or the contributions made on your behalf by your employer.



### Increased KiwiSaver employee and employer contribution rates

In the May 2025 Budget, the Government announced pending increases to the default employee and employer contribution rates for KiwiSaver.

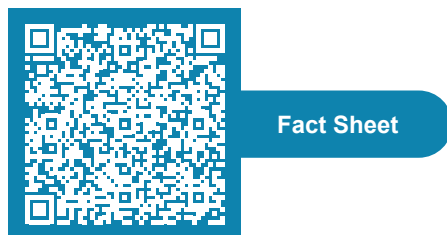
**From 1 April 2026:** each contribution rate will increase from 3% to 3.5% of salary.

**From 1 April 2028:** each rate will increase again, to 4% of salary.

**This means that over a three-year period, the default employee and employer contribution rate will increase in two steps from 1 April 2026 – from 3% to 4%.**

However, the current position regarding contributions for members with Locked Accounts remains unclear. We are working with our legal advisers and industry affiliations, and it is likely that additional legislative changes will be made to address this issue.

**For more information** about employer contributions and KiwiSaver, please see our [Fact Sheet](#).



### Changes to Government contributions

The Government contribution is a contribution to your KiwiSaver account (or to your locked-in account in the Scheme) from the Government. If you are eligible (you must be aged below 65, and income testing now applies – you must have had taxable income of \$180,000 or less in the most recent tax year) then, for every dollar you contribute to your KiwiSaver or locked-in account up to \$1,042.86 a year, the Government will make a contribution.

The rate at which each dollar of those KiwiSaver or locked-in contributions is matched by a Government contribution has halved, effective 1 July 2025, from 50 cents to 25 cents. The maximum annual Government contribution has also halved, to \$260.72 a year.

Remember, if you are making locked-in contributions to the Scheme and a KiwiSaver scheme, any Government contributions will be paid to the first scheme to apply, not both.



# Profiling the Conservative Fund: Key insights for members

## Investment Composition

The Conservative Fund invests in 30% growth assets (equities and real assets) and 70% income assets (fixed interest and cash). The investment objective for the Conservative Fund is to achieve average returns of 1.00% p.a. over rolling five-year periods after tax, investment-related fees and inflation (NZ Consumer Price Index).

- » **Income Assets (70%):** These are typically lower risk (less volatile) investments, including fixed interest (often referred to as bonds) and cash. These investments tend to provide more stable returns, but generally lower than growth assets over the long term. Returns from some of these investments can still be negative at times, but much less frequently than with growth assets.
- » **Growth Assets (30%):** These tend to be higher risk investments such as equities (often called shares), property and infrastructure. They have the potential for higher returns over time but come with increased volatility (returns can be quite variable and may be negative at times, especially over short time periods). It is this elevated risk that offers the potential for higher returns over longer time horizons (five years or more).



## Risks

Investing in the Balanced Fund involves certain risks, including:

- » **Market Risk:** The value of investments may fluctuate due to economic conditions, market sentiment and other external factors.
- » **Investment Return Risk:** There is a possibility of negative returns, particularly in the short term, as the fund is exposed to market volatility. It is currently expected that on average the Conservative Fund could deliver a negative (below zero) annual return once in every five years. In practice, negative annual returns could be more or less frequent depending on investment market returns.
- » **Company Risk:** Specific investments in companies may be affected by their operational performance and market reputation. The Scheme aims to mitigate these risks by investing in a wide range of different companies operating in different industries.

The risk indicator for the Conservative Fund is rated 3 as at 27 June 2025, on the scale from 1 (low risk) to 7 (high risk), reflecting its lower risk profile relative to the Balanced and Growth Funds. While the fund leans towards the 'lower risk' side of the risk indicator scale, members should still be prepared for fluctuations in the value of their investments and the potential for negative returns from time to time.

Historical performance data indicates that the fund has achieved a return (after net of annual fund charges and tax at 28%) of 3.7% per annum for the 5-year period ending March 2025. This was 0.8% per annum behind inflation over the 5-year period, which finished the period at 4.5% per annum, well above the Reserve Bank of New Zealand's target inflation range of 1-3% per annum. Over this 5-year period, the Conservative Fund has experienced two years of negative returns – the years ending March 2022 (-0.7%) and March 2023 (-2.4%). During these two years there was a rapid increase in interest rates to tackle rapidly increasing inflation. The highest annual return over the 5-period was +9.2% in the year ending March 2021.

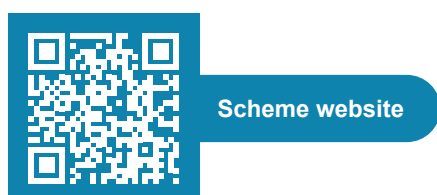
Over the 10 years to 31 March 2025, the Conservative Fund has returned 3.1% per annum (after net of annual fund charges and tax at 28%). Inflation over this period was 2.9% per annum.

## Further Information

For more detailed information about the Conservative Fund, including its performance, fees and investment strategy, you can access the following resources, all of which are available on the 'Documents' page on the Scheme website:

- » **Statement of Investment Policy and Objectives ('SIPO'):** The SIPO provides information about the Conservative Fund and Scheme investments in general. It offers more detail regarding the Trustee's investment beliefs, the expected returns and risks, the types of investments they aim to have, the general investment policies they follow, the investment managers they work with and how they evaluate the results.
- » **Member Booklet:** This document provides comprehensive details about all the funds and their features.
- » **Product Disclosure Statement:** This document offers insights into the risks and fees associated with the fund.
- » **Fund Updates:** An annual update on fund performance and changes in investment strategy.

You can find information about each fund on the Scheme's website at [www.dairysuper.co.nz](http://www.dairysuper.co.nz).



By understanding the Conservative Fund as one of the investment options available, you can make informed decisions that align with your retirement goals and risk tolerance.



## Investment commentary

You can read the full commentary for the quarter ended 30 June 2025 here:



[Read the article](#)

## Investment performance

The table below shows how the Scheme's investment options have performed over the year to date (April to June) and since investment choice was made available to members in 2003. Returns are determined monthly and take into account the effect of compound interest, fees and tax at a rate of 28%.

	Cash	Cash/ Conservative	Conservative	Conservative/ Balanced	Balanced	Balanced/ Growth	Growth
Scheme year to 31 March 2025	3.37%	3.62%	3.86%	4.13%	4.40%	4.68%	4.96%
Returns for periods ending 30 June 2025							
Scheme year to date provisional crediting rates (3 months)	0.54%	1.24%	1.95%	2.59%	3.23%	3.63%	4.03%
1 year	2.9%	4.2%	5.4%	6.5%	7.6%	8.4%	9.1%
5 years (average pa)	1.9%	2.3%	2.7%	3.6%	4.6%	5.3%	6.1%
10 years (average pa)	1.6%	2.3%	3.0%	3.9%	4.7%	5.2%	5.8%
Since 31 March 2003 (average pa)	2.5%	3.3%	4.1%	4.8%	5.4%	5.8%	6.2%

The latest credited interest rates are also published on the website.



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calculator**



**Financial  
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**Helpline  
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9am - 7pm  
Monday to Friday  
For any questions about your  
accounts, this newsletter,  
or the Scheme



**Risk  
quiz**



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