

Your Super Newsletter

March 2024

Welcome to the first edition of DairySuper news for 2024. We hope you made the most of summer!

In this newsletter, we provide tips on setting financial resolutions and offer resources to improve your overall financial wellbeing. We include the latest investment returns and market commentary to help you stay informed about the performance of your investments. There is also a reminder for you to update your communication preferences to ensure that you receive important updates from us, and we share an article on navigating market volatility.

As always, you can reach out to the Helpline on **0800 355 900** for any queries or assistance regarding the Scheme.

Best wishes,

Tim McGuinness (Chair) and the Trustee Board.

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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 it plays a crucial role in securing 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 and risk appetite may impact how much you will have at retirement. The Scheme offers seven investment options, allowing you to choose the ones that best suit 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 [Scheme website](#) and ensure your contact details are up to date. This way, you will receive the latest information about the Scheme and your investments promptly.
- **Stay informed:** Take the time to read the [Scheme 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 advice details



Scheme website



Scheme documentation



Product Disclosure Statement

Financial wellbeing resources

Financial wellbeing refers to how well someone can meet their current and future financial needs. To achieve financial wellness, 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.



Budgeting tool » Sorted

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.



FSC Retirement Planning Guide

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



Retirement calculator » Sorted

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



Getting advice » FMA

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



Savings calculator » Sorted

This tool enables you to visualise the growth of your savings over time, especially with the help of compounding interest.



MoneyTalks

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



As well as these tools, you can utilise the personalised retirement projections included in the DISS annual report to gauge if your projected future balance is enough for the retirement lifestyle you want.

Navigating market volatility

When it comes to investing, it's easy to get caught up in the excitement of chasing the latest market trends. However, it's crucial to approach investment decisions with caution and avoid making hasty moves based on short-term market fluctuations. In this article, we discuss the significance of not chasing investment markets and emphasise the need for careful consideration when making investment switches.



- **Stay focused on long-term goals:** Investing is a long-term game, and successful investors understand the importance of staying focused on their goals. While market movements can be tempting to react to, it's essential to remember that short-term volatility is a normal part of the investment journey. Making impulsive decisions based on market fluctuations can lead to missed opportunities and potential losses.
- **The dangers of chasing trends:** Chasing investment markets involves trying to time the market by buying or selling investments based on short-term trends. This approach is risky and can result in poor investment performance. It's nearly impossible to predict market movements accurately, and attempting to do so often leads to unsatisfactory results.
- **The power of a well-diversified portfolio:** Instead of chasing trends, investors should focus on building a well-diversified portfolio that aligns with their long-term financial goals and risk tolerance. Diversification helps spread risk across different asset classes, reducing the impact of market volatility on overall portfolio performance. By maintaining a balanced and diversified portfolio, investors can endure market fluctuations more effectively.
- **Careful consideration of investment switches:** While it's important to avoid chasing investment markets, there may be times when adjusting your investment strategy is necessary. Any investment switches that you request will be actioned accordingly (and not queried), so it's important to make sure that any investment switch requests accurately reflect your wishes. Mistakes in investment switches can have significant consequences, so it's essential to double-check all details and seek professional advice if needed.
- **Consulting with financial advisers:** To make informed investment decisions, it's advisable to consult with a qualified financial adviser. They can provide valuable insights, help assess your risk tolerance, and guide you in making investment switches that align with your long-term goals. View the 'Financial advice' page on the Scheme website to find a financial adviser.



Financial
advice

In the world of investing, it's important to resist the urge to chase investment markets. Instead, you should focus on long-term goals, maintain a well-diversified portfolio, and carefully consider any investment switches. By adopting a disciplined and patient approach, investors can increase their chances of achieving financial success and weathering market volatility with confidence. Remember, investing is a marathon, not a sprint.

Investment commentary

Period ending 29 February 2024

A glossary of terms for this update is included below.

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 has been much more eager in its expectation for rate cuts, pricing in sharper and more prompt rate cuts than 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. The Bloomberg Global Aggregate Bond Index (100% hedged to NZD) returned 5.7% over the quarter. US economic data softened through the quarter, with annual **Consumer Price Index (CPI)** slowing from 3.7% to 3.2% in October and to 3.1% in November. Economic growth 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.



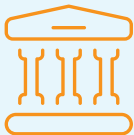
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Equities: They are also known as stocks/shares. Buying equities can give you partial ownership in a company, which means you can earn profits if the company does well.



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 implementing accommodative policies.



Consumer Price Index (CPI): CPI tracks average price changes of goods and services over a period of time, while indicating inflation and cost of living.



Want to stay updated?

The start of a new year is always a good time to review and customise how you receive essential information and updates about the Scheme and your investment.

Email remains the most reliable and efficient channel for staying informed. Take this opportunity to review your communication preferences, ensuring you receive important updates directly to your email inbox.

If you want to make any changes to your preferences, simply log in to your account, click on your picture/avatar at the top right, select 'Personal Details', ensure your email address is entered, scroll down to 'Communication Preferences', then select the 'view/update' button.



Log in to customise your preferences

Investment performance

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

	Cash	Cash/ Conservative	Conservative	Conservative/ Balanced	Balanced	Balanced/ Growth	Growth
Scheme year to 31 March 2023	1.87%	-0.25%	-2.40%	-3.67%	-4.97%	-5.32%	-5.68%
Periods to 31 January 2024							
Scheme year to date provisional crediting rates* (10 months)	2.88%	3.36%	3.79%	4.51%	5.21%	5.79%	6.36%
1 year	3.6%	3.6%	3.6%	4.0%	4.4%	4.8%	5.2%
5 years (average pa)	1.2%	1.7%	2.1%	2.9%	3.6%	4.2%	4.7%
10 years (average pa)	1.5%	2.3%	3.0%	3.9%	4.8%	5.4%	5.9%
Since 31 March 2003 (average pa)	2.5%	3.2%	4.0%	4.6%	5.2%	5.6%	6.0%

*The Scheme year to date provisional crediting rates may be amended if and when the Trustee accepts the recommended final crediting rate for the year ended 31 March 2024.

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



**Retirement
calculator**



**Financial
advisers**



**Helpline
0800 355 900**

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



**Risk
quiz**



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