

Your Super Newsletter

March 2025

Welcome to the first edition of our 2025 newsletter!

In this edition, we take a moment to remember Andy Williams, whose contributions have left a lasting impact on us. We also have important updates, including a change of Scheme Secretary and a new login process designed to enhance your experience.

We also encourage you to set personal goals and explore the helpful tools available through Sorted. Discover the advantages of being a member of our Scheme and the benefits of providing your email address for timely updates.

Additionally, we are excited to share insights into the Balanced Fund, offering key information for our members. Furthermore, we have included the regular investment commentary and performance updates to keep you informed about your investments.

As always, if you have any queries or feedback, please feel free to reach out to our Helpline team on [0800 355 900](tel:0800355900).

Best wishes,

Tim McGuinness (Chair) and the Trustee Board.

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Remembering Andy Williams

We are deeply saddened to announce the passing of Andy Williams, who served as a Director on the Trustee Board from 1 June 2006 to 1 October 2024. He was a valued member of the Fonterra family, with a relationship spanning over 52 years. Andy retired as a Cheese Product Manager in August 2024. He tragically passed away after a hike while enjoying his retirement. He will be greatly missed for his contributions, leadership and knowledge.

Our thoughts are with Andy's family during this difficult time.

Change of Scheme Secretary

As of 19 December 2024, Philippa Kalasih has stepped into the role of Scheme Secretary, taking over from Derek Vincent. Having served as the Scheme's Secretary for nearly 18 years, Derek's contributions and commitment will be dearly missed. We wish him all the best for his future!

Philippa is a Principal at Mercer (N.Z.) Limited, where she leads the Wellington Workplace Savings Team and currently serves as Co-Chair of the FSC Workplace Savings Committee. With over 30 years of experience in the superannuation industry, she provides client relationship management, consulting, and secretarial services to restricted workplace savings scheme Trustee Boards. Philippa enjoys supporting members and collaborating with Trustee Boards to ensure compliance with regulatory and governance requirements. We are looking forward to Philippa's contributions as she assumes this new role. She can be contacted at Philippa.Kalasih@mercer.com.

Investment commentary – quarter ending 31 December 2024

There was significant market variation across regions and sectors in the quarter ending December 2024. Overall, global equities ended the year positively, boosted by the conclusive victory of Donald Trump in the US presidential election in November. All the Scheme's investment options achieved positive returns in the December quarter, building on the positive momentum throughout much of 2024. This is reflected in the strong returns for the current financial year (starting 1 April) which are summarised in the 'Investment performance' section.

Read the
full article:



Setting goals and helpful Sorted tools

Setting financial goals is a crucial step in achieving long-term financial stability and success. Whether you are planning for retirement, saving for a home, or preparing for unexpected expenses, having clear and achievable financial goals can guide your decision-making and help you stay focused on your objectives.

The first step is to assess your current financial situation. This includes understanding your income, expenses, debts and savings. Once you have a clear picture, you can set specific, measurable and time-bound goals. For instance, instead of setting vague goals like “I want to save money,” a better approach would be to say, “I want to save \$10,000 for a home deposit within the next two years.” This clarity will help you create a structured plan to reach your goals.

Now that you have set your goals, we have listed some useful tools below that are designed to not only help you save money but also to promote healthier financial habits, support effective budgeting and facilitate long-term financial planning.



Budgeting tool » Sorted

Budgets act as essential guides for managing your finances, allowing you to monitor your spending and savings effectively. This tool provides a clear visual overview of your income and expenditures, enabling you to optimise your financial resources.



Retirement calculator » Sorted

Evaluate your current financial situation to see if you are on track to achieve the retirement lifestyle you desire. This calculator helps you assess whether you are financially prepared for the future.



Savings calculator » Sorted

This tool allows you to see how your savings can grow over time, particularly through the power of compounding interest. It provides a clear picture of your financial progress.



Goal planner » Sorted

What are your aspirations? Many of life's goals require financial planning. This goal-setting tool assists you in taking the initial steps towards achieving your dreams.



Debt calculator » Sorted

Wondering how soon you can be free from debt? This tool can consolidate your loans and help outline the quickest path to financial freedom.



Advantages of membership in the Scheme

Being part of the Scheme comes with some great perks that can help you secure your financial future!

Investment Choices

One of the best things about the Scheme is the variety of investment options available. There are four main funds to choose from, including Cash, Conservative, Balanced and Growth. You also have access to three more funds that are mixed, combining different types of investments to help you find the right fit for your risk tolerance and savings goals.

Generous Employer Contributions

Another fantastic benefit is the generous employer contributions. Your employer contributes to your superannuation, boosting your retirement savings and helping you reach your financial goals faster.

Insurance Coverage

The Scheme also offers insurance coverage for its members, providing protection for death and permanent incapacity. This coverage can offer peace of mind for you and your family, as the insurance benefit can be up to three times your salary, depending on your contributions.

It is important to note that this insurance coverage is generally automatic only if you join the Scheme within the first six months of starting your employment and are actively making member contributions. If you join after this initial window, you may need to complete a medical questionnaire and your coverage may be subject to certain conditions.

Additionally, please be aware that the insurance coverage begins to decrease at age 62 and will end at age 65. As you plan for retirement, it's essential to keep this timeline in mind to ensure you have the necessary protection in place.

For more detailed information about your insurance coverage, please refer to the 'Insurance cover for death and permanent incapacity' section in the [Member Booklet](#).

Support and Resources

As a member, you also have access to a Helpline and an online account, making it easy to get support and manage your investments whenever you need.

In short, being a member of the Scheme gives you access to flexible investment options, generous employer contributions, important insurance coverage and valuable support resources. It's a smart way to work towards a secure and stable retirement!



Read the member booklet here

Profiling the Balanced Fund: Key Insights for Members

The Balanced Fund is one of several investment options available to you as a member of the Scheme. Designed to provide a diversified portfolio of investments, the Balanced Fund aims to strike a balance between growth and income assets, catering to members with healthy risk appetites and ambitious investment goals.

Investment Composition

The Balanced Fund invests approximately 60% in growth assets and 40% in income assets (see below for what these include). This strategic mix is currently expected to achieve average returns of 2.00% per annum above the rate of inflation over rolling 10-year periods, after allowing for tax (at 28%), fees and expenses.

- » **Growth Assets (60%):** 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).
- » **Income Assets (40%):** 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.

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 Balanced Fund could deliver a negative (below zero) annual return once in every four years. In practice, negative annual returns could be more or less frequent.
- **Company Risk:** Specific investments in companies may be affected by their operational performance and market reputation.

The Fund mitigates some of these risks by investing across a range of different companies, industries and asset classes (equities, bonds, cash etc.). The risk indicator for the Balanced Fund is rated 4 as at 31 March 2024, on the scale from 1 (low risk) to 7 (high risk), reflecting its moderate risk profile. While there is potential for higher returns, members should be prepared for fluctuations in the value of their investments.

Returns

The Balanced Fund aims to provide competitive long-term returns, with an average annual return expectation of 2.00% per annum above inflation over a 10-year horizon. Historical performance data indicates that the fund has achieved a return (net of annual fund charges and tax at 28%) of 5.2% per annum for the 10-year period ending December 2024. This was 2.4% per annum ahead of inflation over the 10-year period which finished the period at 2.8% p.a. Over this 10-year period, the Balanced Fund has experienced two years of negative returns – the years ending December 2018 (-2.1%) and December 2022 (-12.3%). The highest annual return over the period was +13.5% in 2019.

Further Information

For more detailed information about the Balanced 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: www.dairysuper.co.nz/documents.

- **Statement of Investment Policy and Objectives ('SIPO'):** The SIPO provides information about the Balanced 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.
- **Dairy Industry Superannuation Scheme Member Booklet:** This document provides comprehensive details about all the funds and their features, including the Balanced Fund.
- **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.

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

Update on the new login process

From 26 February, the way you login to your online account has changed. The change simplifies the login process to just your email address and password. After you activate your online account for the first time following these changes, 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 log in details yet, your first 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 face any issues, you can contact the Helpline at 0800 355 900. For any further queries regarding the new sign in process, we have prepared a set of FAQs to address some of the questions you may have. You can access them under the *Latest news* page.



Latest news

Investment performance

The table below shows how the Scheme's investment options have performed over the year to date (April to December) 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 2024	3.67%	5.02%	6.35%	8.06%	9.77%	11.09%	12.43%
Returns for periods ending 31 December 2024							
Scheme year to date provisional crediting rates* (9 months)	2.57%	3.17%	3.76%	4.40%	5.03%	5.68%	6.33%
1 year	3.7%	5.1%	6.5%	8.2%	9.9%	11.4%	12.9%
5 years (average pa)	1.7%	2.0%	2.3%	2.9%	3.5%	4.1%	4.7%
10 years (average pa)	1.6%	2.4%	3.1%	4.0%	4.9%	5.5%	6.1%
Since 31 March 2003 (average pa)	2.5%	3.3%	4.1%	4.8%	5.4%	5.9%	6.3%

*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 2025.

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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