

Your Super Newsletter

August 2023

Welcome to the second edition of the DairySuper newsletter for 2023. By now, you should have received your annual report and member statement for the year ended 31 March 2023. If you did not receive these documents, or would like to update your contact details, please log in to www.dairysuper.co.nz at any time to check your details and access your documents.

We would also like to welcome Susan Pinny, who joined our Board as a Trustee Director on 18 April 2023. Susan has been a part of Fonterra since 2008 and is a valuable addition to the Board.

As always, if you have questions about the Scheme, please call the Helpline on 0800 355 900.

Take care.

Tim McGuinness (Chair) and the Trustee Board.

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Reminder to read annual report and member statement

The combined and personalised DairySuper annual report and member statement for the year ended 31 March 2023 has now been distributed and you should have received your copy by either email or post. You can also access this document by logging into our [website](#). We encourage you to take a moment and read through this combined document, as it contains important information regarding Scheme performance and shows your future projected balance, which can help you gauge if your savings are on the right path to enjoy your ideal retirement lifestyle.

If you would like to make any changes to your strategy, we encourage you to first use some of the [financial tools](#) available on our website. We would also like to hear any feedback you may have on these documents, so please write to us at dairy@mercer.com.



Log in here to access the documents

FSC Retirement Planning Guide

The [Financial Services Council NZ \(FSC\)](#) has created a guide for customers and those wanting to take a DIY approach to retirement planning. Successful retirement planning means being able to enjoy a reasonable lifestyle in retirement, without outliving your savings. [This guide](#) covers some key retirement planning considerations, including a few rules of thumb on how to manage your savings during retirement.



View the FSC Retirement Planning Guide



Money Month

Te Ara Ahunga Ora Retirement Commission officially kickstarted Money Month on 1 August 2023, which aims to demystify money and improve the financial wellbeing of Kiwis. Money Month is an annual public awareness campaign, brought together by various organisations.

The theme this year is “Pause. Get sorted.”, which is encouraging New Zealanders to pause for a moment of reflection or action to get their money sorted. This could be taking time to sort out your budget, check in on your KiwiSaver fund, make a plan for getting out of debt, talk to someone about money or start saving towards a goal. Through the resources and tools provided in Money Month, Kiwis should be able to make better decisions regarding their financial wellbeing.



Goal setting refresher

Before starting any trip, it is always a good idea to know about your destination and how you plan to get there. The same applies to your financial journey. Financial goals should be set realistically, and it is always a good idea to have a larger goal in mind and then set smaller, doable targets, keeping in mind your current income, expenses and liabilities. You can set your goals to meet different targets, for example paying off your mortgage, saving for a first home, or travelling. Sorted's new tool can help you with your goal planning.



Use the goal planner here



Getting financial advice

Seeking professional financial advice can help you get better outcomes for your finances and savings. A financial adviser looks closely at your current situation and your future goals to give you objective advice. You can also benefit from the various free online tools that can help improve your financial wellbeing. Some of these tools are available on the Scheme's website, under the 'Resources' tab in the 'Financial advice' section.



Find the financial tools here



Investment commentary

Quarter ending 30 June 2023

Global shares impressed in the second quarter of 2023, with the advance led by developed markets, notably the US, while emerging market stocks lagged. US debt ceiling negotiations and continued rumblings in the banking sector caused a bit of a stir, however, investors were largely unaffected by this as hype surrounding artificial intelligence (AI) drove a rally in the IT sector. Other leading catalysts were moderating inflation and the continued strength of the US economy, despite higher interest rates. The US economy expanded at a rate of 2% (annualised) in the first quarter and headline inflation slowed to 4% year-on-year – its lowest 12-month increase in over two years. Unemployment increased to 3.7% in May, but the US labour market remains historically tight, prompting the US Federal Reserve to address the need for further interest rate rises, despite electing to pause at their latest June meeting.



Read more

Read more investment news online at
www.dairysuper.co.nz/latest-news/investments.html

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.

	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 June 2023							
Scheme year to date provisional crediting rates* (3 months)	0.82%	1.13%	1.44%	2.02%	2.61%	3.10%	3.60%
1 year	2.6%	2.9%	3.2%	4.1%	4.9%	5.9%	6.8%
5 years (average pa)	0.9%	1.3%	1.7%	2.3%	2.9%	3.4%	3.8%
10 years (average pa)	1.3%	2.2%	3.1%	4.2%	5.2%	5.8%	6.4%
Since 31 March 2003 (average pa)	2.4%	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](#).

Changes to the product disclosure statement

On 30 June 2023, the product disclosure statement was updated to reflect the new estimated fund charges and changes to the risk indicators for growth fund (now at 5) and 50% cash/50% conservative option (now at 3). The annual fund charges include:

- fees paid to the managers and Trustees of the underlying funds into which the Scheme invests (including performance fees paid to underlying managers)
- expenses charged to the Scheme and those underlying funds (including professional adviser fees, and our directors' fees and expenses)
- insurance premiums for the Scheme's insurance policy (these are not charged to members individually)
- fees paid to the Scheme's administration manager

The risk indicator is rated from 1 (low) to 7 (high), and these ratings reflect the fluctuation and volatility in value of the fund's assets. A lower risk indicator rating would mean potentially lower returns over time, but less volatility along the way. A higher risk indicator rating would mean potentially higher returns over time, but with more ups and downs along the way. You can read the new product disclosure statement [here](#) or find it on the 'Documents' page of the Scheme website, under the 'Member documents' section.



Read the new product disclosure statement here



**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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