

Super news

for the 10 months to 31 January 2013

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Welcome to our third and final newsletter for the 2012/2013 Scheme year. First, a very big thank you to everyone who took the time to complete the survey in December. Your feedback is very valuable and will help us ensure that the Scheme continues to be a convenient and flexible way of helping you save for a financially secure retirement. The survey findings will be summarised in the next issue of Super news. In the meantime, in response to some of your comments, we have changed the way we show the Scheme's returns and over the page we have started answering some of your questions.

Congratulations to **Fulong Liu** from Fonterra, Hamilton, winner of the draw for the \$100 prezzie card for survey participants.

Scheme returns

Fund returns benefit as share markets continue to improve

All in all, the period since our last newsletter has been very favourable for the Scheme's investments. As the table below shows, despite a share market downturn in the June quarter, returns for all investment options (other than cash) for the first 10 months of the 2012/2013 Scheme year are significantly ahead of those for the previous Scheme year.

The *Quarterly investment update* (available by signing in to www.dairysuper.superfacts.co.nz and going to the Investments page) provides more in depth information about the Scheme's investment performance, including a comparison of your Scheme's returns with similar KiwiSaver schemes.

Returns for each investment option after tax, fees and expenses to 31 January 2013

	Cash	Cash/ Conservative	Conservative	Conservative/ Balanced	Balanced	Balanced/ Growth	Growth
Scheme year to 31 March 2012	2.6%	3.0%	3.3%	2.4%	1.3%	0.6%	-0.2%
Periods to 31 January 2013							
Scheme year to date (10 months)	1.4%	3.2%	5.0%	6.4%	7.7%	8.4%	9.0%
12 months	2.6%	5.1%	7.6%	9.5%	11.4%	12.4%	13.4%
3 years (average pa)	2.1%	3.5%	5.0%	5.7%	6.3%	6.6%	6.8%

¹ Fund returns are determined each month. The reported returns are effective returns, taking into account the effect of compound interest and rounded to one decimal place

What's behind the share market recovery?

Several factors contributed to the improvement in returns from the Scheme's investments in shares. These included

- Central banks in Europe, the US and China injecting more money into their economies, making it easier for private banks to lend to businesses.
- US politicians reaching an eleventh-hour partial resolution of the US 'fiscal cliff'. The final agreement raised taxes on the richest Americans but temporarily delayed huge spending cuts in domestic and military spending. Had agreement not been reached, it would have sent the US economy back into recession.
- Better than expected profits by New Zealand companies.

This document has been prepared by Mercer (N.Z.) Limited on behalf of the Trustee of the Dairy Industry Superannuation Scheme. The information in this document is intended for general guidance only and is not personalised to you. It does not take into account your particular financial situation or goals. It is not financial advice or a recommendation. We recommend that you read the Member Information Booklet and Investment Statement and take financial advice from an authorised financial adviser before making any investment decisions. In addition, past performance cannot be relied upon as a guide to future performance.

Super news

Scheme wins again!

For the third time in the last four years, the Scheme's annual report and benefit statement was not only top of its class but also won the overall award for excellence at the Workplace Savings NZ Communication Awards.

Competition for the overall award was keen, so it was very gratifying for the Scheme to be so successful.

Increase in minimum contribution to Locked In Accounts

From 1 April 2013, the minimum member and employer contribution to complying superannuation funds such as your Scheme's Complying Fund Accumulation (CFA) section and KiwiSaver schemes will increase from 2% to 3% of a member's before tax salary or wages. If you are making locked in contributions, you will receive a letter explaining the change and its impact on your membership.

To accommodate the increase, the Scheme's trust deed has had to be amended. By law, we are required to advise all members of the amendment.

Trust deed amendment

An amendment has been made to the Scheme's trust deed to allow members with locked-in accounts to contribute to those locked-in accounts at the rate of 3% of their before tax salary or wages from 1 April 2013, which reflects the minimum contribution that will be required by law from that date. If this amendment had not been made, then under the previous terms of the trust deed these members would have needed to increase their locked-in contributions to at least 4% from 1 April 2013.

The amendment will mean that contributions to locked in accounts will increase with effect from 1 April 2013. The trustee (Dairy Industry Superannuation Scheme Trustee Limited) will shortly sign a replacement trust deed to make this change. A copy of the replacement trust deed will be filed with the Financial Markets Authority, and once signed can be obtained by contacting the Scheme Secretary on 0800 355 900 or by writing to:

Scheme Secretary
Dairy Industry Superannuation Scheme
c/- Mercer (N.Z.) Limited
Level 8 PwC Tower, 113-119 The Terrace
PO Box 2897, Wellington 6140

Annual review timetable

In the survey, some of you asked why it takes so long for the Scheme's annual report and benefit statements to be issued.

Preparation for the annual review as at 31 March 2013 is already well underway with Mercer, the Scheme's administration manager. Preparing and issuing the annual report and benefit statement is part of this process. Generally we aim to distribute these around the third week in July.

While this seems a long time after the end of the Scheme year (31 March), it may be helpful to know a bit more about what's involved. The key dates and milestones we are aiming for this year are:

8 March: Annual review process formally began. This includes gathering data, investment reports etc.

22 April: Preparation of draft accounts starts.

27 May: The Scheme's auditors, KPMG, give the draft accounts initial approval.

5 June: Mercer sends drafts of the annual report, benefit statement and accounts to the Trustee directors for review.

11 June: The directors formally approve the annual report, benefit statement and accounts.

21 June: KPMG give the annual report and accounts final approval.

26 June: The annual report and accounts are sent to the Trustee directors for signing.

9 July: KPMG issues audit certificates stating that the accounts and the financial summary in the annual report meet the required standards.

10 July: The annual report is sent to the printer.

22 July: This is the date it all comes together! All 6,450 annual reports and benefit statements are mailed to members.

Mercer and the Trustee directors take the annual review process very seriously and always aim to keep to the timetable. However, sometimes unexpected issues come up, which can cause delays, meaning you receive your annual report and benefit statement a little later.

Remember you can see an estimate of your benefits at any time by signing on to the 'Your super' page of www.dairysuper.superfacts.co.nz.

Check out the table below for a quick guide to finding information about the Scheme.

Looking for:	Go to:
Help logging on to the website	Helpline 0800 355 900
Forms	'Documents & forms' page on www.dairysuper.superfacts.co.nz or the Helpline 0800 355 900 or your Payroll/HR
Current and historical annual reports	'Documents & forms' page on www.dairysuper.superfacts.co.nz
Current investment statement and member information booklet	'Documents & forms' page on www.dairysuper.superfacts.co.nz
Copy of your benefit statement	'Your super amount' page on www.dairysuper.superfacts.co.nz (you need to sign in to access this)

Note: You do not need to sign in to access the 'Documents and forms' page