

Your Super Newsletter

March 2023

Welcome to the Q1 newsletter for DairySuper. We hope that this newsletter finds you safe, as unfortunately, it has been a tough start to 2023 with Cyclone Gabrielle impacting many of our communities and people around the North Island.

Our thoughts are with all those affected by the severe weather conditions.

This edition includes articles on pre-retirement tips, a brief guide on how to login to the website, commentary on recent financial market performance and scheme returns. As always, if you have questions about the Scheme please call Helpline on 0800 355 900.

Take care and stay safe.

Tim McGuinness (Chair) and the Trustee Board.

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Survey results

As Trustees, we love receiving your feedback as this helps us improve the Scheme's services and our communication with you. We recently invited all members to share their feedback with us and would like to thank everyone who took the time to participate in the survey. We received a number of useful comments and insights from the survey that we as a Board will consider.

Everyone who completed the survey went into the draw to win a \$200 Prezzy Card.

Congratulations to Lorraine Dianne Pike from Timaru for winning this prize draw!



Survey feedback highlights

17.6%

of total membership completed the survey (1,468 members)

84%

of members say that it is important that their family saves for retirement

70.3%

of respondents would recommend DISS to a friend/colleague. DISS's overall net-promoter-score is +59.9%

64%

of members rated the projections in the annual report as either helpful or very helpful

56%

of members get their investment market information from news media

52%

of members visit the website first if they have a question about the Scheme

Pre-Retirement tips

What are your retirement goals?

The concept of retirement means different things to different people. Whether it is the opportunity to travel, spend time with family, to start a new project, or to dabble in a mixture of all of the above, retirement is a time to enjoy and be free of financial stress. It can be a major life transition and we need to be honest about what our goals are and what trade-offs we are willing to live with. Even if retirement seems a while away, it is good to have a plan. Here are some tips to help you plan for retirement.



1. Start saving early and consistently as every little bit helps. Compound interest adds up over time so the sooner you start the better.
2. Calculate your retirement expenses to estimate your future needs: use some of the tools mentioned on the website to calculate how much you might need in your budget and what your retirement income could look like.
3. Diversification of the Scheme means your investments are not stored in one 'basket' and are not impacted by the performance of one company or industry.
4. As an Employee Member you can make additional contributions to the Scheme and these are limited to deductions from your salary, except in very limited circumstances.
5. The cost of living is a big topic currently so factor in inflation and how this might affect your long-term retirement income, some members also choose to keep their savings in the Scheme even after leaving employment.
6. Think about medical insurance implications.
7. Regularly review and adjust your retirement plan as needed. The most common preference is to think about finances and insurance annually. Key calendar dates are a good reminder, such as the change of year.
8. Members can also leave all or part of their benefit in the Scheme after leaving employment. There is a detailed factsheet available on the website for this.

Get the factsheet here



Login to website

A common problem members have while accessing the website is a forgotten PIN/password, which was also specified in our recently conducted member survey, where 59% of the respondents indicated that they have not used the website because of a forgotten PIN. Below is a step-by-step guide for members on how they can reset their password on the website and what they might need to register for a password.

How to reset password?

You can reset your password online at any time. Visit www.dairysuper.co.nz and click "Log In" shown on the top right of the page. Then click "Reset your PIN/password" under the "Sign in" box.

To reset your password, or to register for a password to use this site, you require:

- » Your member number (shown on your annual confirmation)
- » A valid email address registered in our system (if you're unsure what email address is recorded please call Helpline)
- » Your date of birth

(If you don't have all of the above information, or if you are having trouble using this service, please call Helpline on 0800 355 900).

After entering your member number and date of birth in the fields and clicking "Submit", **you will receive an email** containing instructions on how to reset your password. Please check your email and follow the instructions within 30 minutes to continue the process. If you do not follow the instructions within 30 minutes the reset Password/register process will have to be restarted for security reasons.



Log in to our website

Investment commentary

Quarter ending 31 December 2022

After negative returns in August and September across most asset classes, the last quarter of 2022 showed early promise with positive performance in developed market equities, emerging market debt and high yield bonds. During Q4, investor sentiment generally improved on better than expected US earnings data and an expected slowdown in policy tightening, despite inflation readings and US labour market growth refusing to budge. Coming in at a revised figure of 3.2% year-on-year (y/y), Q3 US GDP sprung back from the negative territory seen in Q2, while Q3 Eurozone GDP kept its head above water at 0.2% quarter-on-quarter (q/q) amid a harsh economic backdrop. The appointment of Rishi Sunak as Prime Minister seemingly brought the UK's chaotic political scene to a close, while Xi Jinping broke the norm by cementing a third term as the President of China.

Global equity markets experienced back-to-back monthly gains over the first two months of Q4 as inflation pressures showed signs of plateauing. US inflation clocked a 0.4% rise in October, resulting in the smallest y/y increase since January. Even so, the economic outlook remained soft with major US companies, including tech-heavyweight Meta, revealing large scaled corporate layoffs as higher-pegged interest rates began to take their drawn-out effect on projected earnings performance. The continuation of this recovery rally throughout November was built upon the same rationale, as investors saw further evidence that would perhaps allow the US Federal Reserve (Fed) to take their foot off the brakes. Equities aside, fixed income returns were supported by lower real yields, while the US dollar saw a sharp decline against most major currencies amidst an increased appetite for risk assets.

The positive momentum seen over the first two months of Q4 did not last into December. Although job creation has fallen back and the signs of a slowing economy are evident, data showed that the US economy added more jobs than expected in November. Non-farm payrolls grew by 263,000 versus the 200,000 anticipated, while wage price growth shot up 0.6% to 5.1% y/y, adding further complications to the Fed's task at hand. Another round of encouraging US inflation figures gave investors a short-lived confidence boost before the Fed forged ahead with ramping up the overnight borrowing rate by half a percentage point (taking it to a targeted range between 4.25% and 4.5%), while simultaneously issuing a revised 'dot plot' which suggested a higher terminal federal funds rate and fresh tightening to come in 2023. Despite a lacklustre culmination, Q4 registered positive returns across all major asset classes to see out the year on a slightly more optimistic note, in what has been a decidedly difficult 2022 for financial markets through and through.

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 2022	0.00%	-0.32%	-0.67%	-0.08%	0.48%	1.01%	1.53%
Periods to 31 January 2023							
Scheme year to date Provisional Crediting Rates* (10 months)	1.21%	-0.46%	-2.18%	-3.18%	-4.21%	-4.45%	-4.70%
1 year	1.2%	-1.1%	-3.4%	-4.6%	-5.9%	-6.1%	-6.3%
5 years (average pa)	0.8%	1.2%	1.5%	2.1%	2.6%	3.0%	3.4%
10 years (average pa)	1.3%	2.2%	3.2%	4.3%	5.3%	6.0%	6.6%
Since 31 March 2003 (average pa)	2.4%	3.2%	4.0%	4.6%	5.3%	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 2023.

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

Financial tools for 2023

Retirement savings are important for the future as it is always good to have a pool of funds in case of an uncalled-for event like a health condition or expenses related to your house or car. It is always good to get started on your savings journey early on. You can also benefit from the personalised retirement projections available in the DISS annual report to estimate whether or not your predicted future balance is on track to achieve the retirement lifestyle you want. The tools mentioned here are not just about putting aside money every month, but would rather encourage you to change your spending and savings habits and help you with budgeting for today and planning for the future.



Financial advice

The Financial Markets Authority (FMA) website has a library of information on financial advice and where to get it.



Budgeting tool

This tool helps set goals for spending, to ensure money goes where you want it to.



Retirement calculator

How much money do you think you might need for retirement? This tool can help you plan ahead of time.



Risk tolerance tool

How much risk are you willing to take on with your investments? This tool can help give you a guide.



Money Talks

Talk to someone about setting new budget goals for the new year.



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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