

# YOUR SUPER NEWSLETTER

## MARCH 2021

### Welcome to the first Super newsletter of 2021! We hope you had a great holiday season!

Included in this edition is a preview of the upcoming new Scheme website, the latest market commentary, and articles on things to think about before you retire, breaking through the financial advice barrier, and the 2021 financial market outlook.

Helpline can be reached on **0800 355 900** between 9am and 7pm Monday to Friday to answer any questions about your member statement and annual report, your accounts, or this newsletter.

### AT A GLANCE

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### NEW WEBSITE PREVIEW

Our administration manager, Mercer, is upgrading the Scheme website to improve functionality, navigation, and security. It is due to launch in a few months, though here are a few snippets of what the new website will look like!



### HOW TO ACCESS THE CURRENT WEBSITE

Access your account online at any time by logging in with your PIN. Create or reset your PIN online with your member number, a valid email address (that is registered in our system), and your date of birth. Visit the current website at [www.dairysuper.superfacts.co.nz](http://www.dairysuper.superfacts.co.nz)



### BREAKING THROUGH THE ADVICE BARRIER

**Why we need advice more than ever before and why we're not getting it.** New research has revealed that despite a booming property market forcing many of us to take on record levels of debt (making financial advice more important than ever before), most New Zealanders are missing out on its benefits.

To read the full article go to Financial Services Council's website [www.fsc.org.nz](http://www.fsc.org.nz), visit their news section, and click the article title "Financially challenged: Latest Money & You research released".

### INVESTMENT NEWS

Global share markets finished the last calendar month of 2020 on a positive note! Despite political tension in the US and a new, highly contagious variant of COVID-19 spreading throughout the UK and South Africa, investors gained comfort from the global vaccine rollout meaning global share markets had a positive December.

The Brexit transition period has officially ended and the United Kingdom and European Union have announced the Trade and Cooperation Agreement (TCA). Even with this agreement in place, many uncertainties remain for the relationship going forward. All things considered, global shares returned +3.5% in local currency (+1.7% in NZD).

The New Zealand share market gained +2.6% over December, benefitting from a strengthening New Zealand economy due to higher than expected domestic production figures. This is despite the second largest company in the index, A2 Milk, experiencing a -17% loss over the month after cutting its 2021 earnings forecast. Australian shares had a positive month, returning +1.2%, bringing its one year return into positive territory for the first time since February 2020.

Financial markets around the world were broadly positive to start 2021, however January closed the month negative. Despite civil turmoil at the Capitol in January, markets were supported by a

smooth inauguration of Joe Biden as the 46th President of the United States, and the quick unveiling of a USD1.9 trillion stimulus package, aimed at combating the pandemic and the economic crisis it has triggered.

The New Zealand share market provided positive returns over the month, returning +0.3%, with investors reducing risk late in the month as fears of a community outbreak of COVID-19 rose. Australian shares returned +0.3% (in local currency) despite the market encountering significant selling pressure at month end as iron ore prices weakened notably.

In mid-February, the Government announced a community case in Auckland, placing the region into Alert Level 3 for three days to allow time for authorities to investigate. While the case was relatively contained and the region reached Alert Level 1 just days later, the move back into Alert Level 3 in Auckland on 28 February was yet another reminder that the 2021 outlook remains uncertain and depends to a material extent on the path of COVID-19.

It is important to remember that saving for retirement is a long-term task and that previous market downturns (such as the Global Financial Crisis in 2008) have generally been followed by sustainable periods of positive returns.

## INVESTMENT PERFORMANCE

The table below shows how the Scheme's investment options have performed over the past ten months (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.

| Returns for each investment option after tax, fees and expenses |        |                       |              |                           |          |                     |        |
|-----------------------------------------------------------------|--------|-----------------------|--------------|---------------------------|----------|---------------------|--------|
|                                                                 | Cash   | Cash/<br>Conservative | Conservative | Conservative/<br>Balanced | Balanced | Balanced/<br>Growth | Growth |
| Scheme year to 31 March 2020                                    | 0.92%  | 0.00%                 | -0.96%       | -2.48%                    | -4.03%   | -5.00%              | -5.98% |
| <b>Periods to 31 January 2021</b>                               |        |                       |              |                           |          |                     |        |
| Scheme year to date (10 months)                                 | -0.02% | 3.77%                 | 7.67%        | 11.74%                    | 15.92%   | 18.18%              | 20.48% |
| 1 year                                                          | 0.2%   | 1.3%                  | 2.4%         | 3.0%                      | 3.5%     | 3.7%                | 3.9%   |
| 5 years (average p.a.)                                          | 1.1%   | 2.5%                  | 3.9%         | 5.2%                      | 6.5%     | 7.2%                | 7.9%   |
| 10 years (average p.a.)                                         | 1.6%   | 3.0%                  | 4.3%         | 5.5%                      | 6.6%     | 7.1%                | 7.7%   |
| Since 31 March 2003 (average p.a.)                              | 2.6%   | 3.6%                  | 4.5%         | 5.2%                      | 5.9%     | 6.3%                | 6.6%   |

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### THINGS TO THINK ABOUT BEFORE YOU RETIRE

The concept of retirement means different things to different people. Whether it is the opportunity to travel and explore more of our own country, to spend time with the grandchildren, to start a new project, to pick up a new hobby, or to dabble in a mixture of all of the above, retirement is a time to enjoy. And, retirement should be a time to 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's good to have a plan. Here are some things to consider before you retire.

To read the full article go to [www.dairysuper.superfacts.co.nz](http://www.dairysuper.superfacts.co.nz) and click 'Article Library'

### RAYS OF HOPE FOR MARKETS

As we say goodbye to a difficult 2020, there are some positive signs for the global economy in 2021. News of an effective vaccine rollout and certainty around the US election result are having a positive impact on markets.

What can we expect for markets this year?

To read the full article go to [www.dairysuper.superfacts.co.nz](http://www.dairysuper.superfacts.co.nz) and click 'Article Library'

### DEATH BENEFIT CHANGE REMINDER

From 1 February 2021, your death benefit is now automatically paid to your personal representatives. More information about the death benefit payment process, and the importance of having a Will, is available at [www.dairysuper.superfacts.co.nz](http://www.dairysuper.superfacts.co.nz) under 'Article Library' and the 'Announcements' tab.

### PREFER TO RECEIVE UPDATES BY EMAIL?

New year, new communications preference? Now is the perfect time to check and review how you would like to receive important Scheme information and updates that are sent to you throughout the year. If you would like to change or update your preferences, log into your account.

Login at [www.dairysuper.superfacts.co.nz](http://www.dairysuper.superfacts.co.nz)

## KEY DATES FOR 2021



**NEWSLETTER**  
March



**NEWSLETTER**  
May



**ANNUAL REPORT AND  
MEMBER STATEMENT**  
June



**NEWSLETTER**  
October

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