



FireSuper SuperNews

March 2024 | Edition 134

Welcome to the first edition of SuperNews for 2024.

In this edition, we will share an important update on the Scheme, including a name change and new benefits that are available to members from 1 March 2024. Additionally, we will provide a detailed market update and returns information. There is also a reminder for members to update their contact details for any future communications in case their preferences have changed recently.

We would like to acknowledge our dedicated members at Fire and Emergency New Zealand, who have worked tirelessly responding to the recent fire at Port Hills. Thank you for your unwavering commitment towards communities around New Zealand.

Please feel free to contact us by writing on nzfire.super@mercer.com or by calling **0800 MY SUPER (0800 69 78737)** with any feedback you might have on any of the documents or FireSuper in general.

Regards,

FireSuper Trustee

At a glance

- » Enhancements to FireSuper from 1 March 2024
- » Market update
- » FireSuper returns
- » The Life Cycle option
- » Staying updated

Enhancements to FireSuper from 1 March 2024

As communicated to all members on 4 March, amendments designed to modernise the Trust Deed have now been finalised and the new Trust Deed came into effect from 1 March 2024.

Here is a summary of the changes:

- » **Name change:** The Scheme is now officially known as “FireSuper” (previously “New Zealand Fire Service Superannuation Scheme”).
- » **New benefits:** We have introduced new early access facilities to provide members with improved flexibility in certain circumstances. The first three are KiwiSaver-consistent early access facilities, each of which is subject to terms and conditions like those applying to a KiwiSaver scheme:
 - » **First Home Purchase:** Members can now apply to withdraw their FireSuper funds to buy their first home.
 - » **Significant Financial Hardship:** Members can now access their FireSuper funds in cases of significant financial hardship.
 - » **Life-Shortening Congenital Conditions:** Members can now apply to access their FireSuper funds if they suffer from a life-shortening condition which is congenital (meaning one they were born with).
 - » **Specified Financial Hardship:** Members can also now apply to access up to half their Regular Section balance from FireSuper if they suffer property destruction or damage, or incur costs, due to a natural disaster or pandemic illness resulting in a state of emergency.

You can learn more about these new rules and other amendments to the Trust Deed in FireSuper's latest Product Disclosure Statement (PDS) and Other Material Information document (OMI), available both on the [FireSuper website](#) and the [Disclose website](#). If you have any questions about the changes to FireSuper, please email the Secretary at nzfire.super@mercer.com or call the Helpline on **0800 MY SUPER (0800 69 78737)**. We're here to help!



FireSuper website



Disclose website



Market update

Global markets have exceeded expectations in 2023, thanks in large part to the mega-cap technology stocks known as the Magnificent Seven (Apple, Microsoft, Amazon, Alphabet, Facebook, Tesla and Nvidia). Investor sentiment has shifted from “a recession is coming” to “a soft landing is around the corner.” Our market psychology index indicates high investor optimism, even though market gains have been concentrated. Too much optimism can make the markets more vulnerable to overcorrections. Our outlook for 2024 is more cautious due to restrictive monetary policy, slowing growth, and geopolitical tensions.

The New Zealand outlook is mixed. Monetary policy is tight and is likely to remain that way for some time. However, aggregate demand should be supported through 2024 by a notable pickup in population growth. The recent change in government from the October election results will likely see fiscal policy become less supportive over the second half of 2024, but there is still uncertainty given the National/ACT coalition of political parties did not get a majority. New Zealand bonds look slightly cheap.



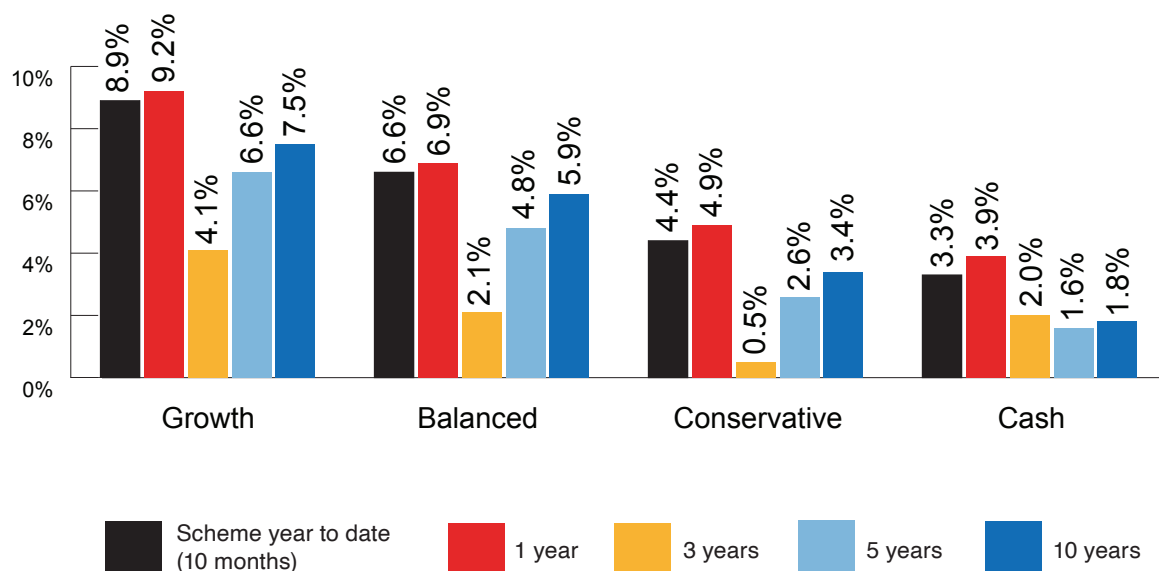
[Read more](#)

Source: Russell Investments | Date: 19 February 2024

FireSuper returns

(Cumulative year-to-date interim returns)

The chart below shows the earning rates for each investment option over the fiscal year-to-date period (**from 1 April 2023 through to 31 January 2024**), and returns over the long-term; 1, 3, 5 and 10 years. The returns are net of fees and tax. The Life Cycle option uses the Growth, Balanced and Conservative options as building blocks and progressively reduces members' risk/return profile over time.



Source: Russell Investments. Past performance is no guarantee of future results.

You can find the [latest earning rates](#) and general information about [how financial markets are performing](#) on the FireSuper website.



[Latest earning rates](#)



[Latest market news](#)



The Life Cycle option

Life Cycle is an investment option that automatically adjusts (downwards) the allocation to growth assets as members get closer to retirement age. This option uses three investment options – Growth, Balanced and Conservative – to transition your savings from predominantly growth assets to predominantly income assets over time.

Up until age 45, you are fully invested in the Growth option (with target exposures of 85% to growth assets, and 15% to fixed interest and cash). Over the next 20 years, your risk/return profile is progressively reduced to the point of being fully invested in the Conservative option (with target exposures of 20% to shares, and 80% to fixed interest and cash) from age 64.

Benefits of the Life Cycle option:

- » **Simplified investment approach:** It simplifies the investment process for members by eliminating the need to actively manage their portfolio and make frequent investment decisions.
- » **Diversification:** It typically includes a mix of different asset classes, such as stocks, bonds and cash, which helps to spread the investment risk. Diversification can help reduce the impact of market volatility on the portfolio and potentially enhance returns over the long-term.
- » **Age-appropriate asset allocation:** It adjusts the asset allocation mix as the investor gets closer to their target retirement date.
- » **Risk management:** It takes into account the member's risk tolerance (based on age and how close they are to retirement) and adjusts the asset allocation accordingly.
- » **Automatic rebalancing:** It automatically rebalances the portfolio at regular intervals to maintain the target asset allocation. This ensures that the portfolio stays aligned with the member's risk profile and investment objectives, even as market conditions change.
- » **Long-term focus:** It is designed for long-term investing, particularly for retirement savings. By following a disciplined investment approach and staying invested over the long-term, members may have the opportunity to benefit from the power of compounding interest and potentially achieve their financial goals.

It's important to note that while the Life Cycle option offers many benefits, it may not be suitable for all members. It's always recommended to consult with a financial adviser to determine the most appropriate investment strategy based on individual circumstances and goals. To help you clarify your own attitude to risk, you can work out your risk profile at www.sorted.org.nz/tools/investor-kickstarter.

If you'd like to switch to the Life Cycle option, log in to www.firesuper.org.nz, click 'Investments', and 'Edit'. Your first switch in FireSuper's financial year (1 April – 31 March) is free, with any subsequent switches incurring a fee. You can learn more in the 'Life Cycle Investment Option' fact sheet or by calling the Helpline on 0800 MY SUPER (0800 69 78737) for more information.



Risk profile quiz



Log in to switch

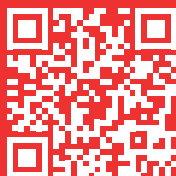


Want to stay updated?

As we enter a new year, it's a great opportunity to review and customise how you receive essential FireSuper information and updates.

Email remains the most reliable and efficient channel for staying informed. It is important to note that not all updates from FireSuper use a post channel. Take this opportunity to review your communication preferences for various communications, ensuring you receive important updates directly to your email inbox.

If you want to make any changes to your preferences, simply log in to your account, click on your **picture/avatar** at the top right, select '**Personal Details**', ensure your email address is entered, scroll down to '**Communication Preferences**', then select the '**view/update**' button.



Log in to customise your preferences



Helpline
0800 69 78737



Retirement
planning



Financial advisers
at FMA



FireSuper
website



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This document has been prepared by Mercer (N.Z.) Limited (Mercer) on behalf of the Trustee.



Product Disclosure Statement (PDS)