Firesuper Supernews

August 2022 No. 129

Hi <firstname>

Welcome to this edition of Supernews. Included is an update on financial market performance, Scheme returns, tips for keeping digitally safe, links to guidance on obtaining financial advice, and Money Week's annual campaign 'Just Wondering'.

If you've got any questions about the Scheme or if there is anything you would like to see included in future newsletters, please call the Helpline on **0800 MY SUPER (0800 69 78737)**.

Market update

Global share markets fell sharply in the June quarter, with the global equity index (MSCI ACWI Index) – Net returning -5.7% in unhedged New Zealand dollar (NZD) terms. Much of the decline was driven by concerns that more aggressive central bank action in the face of persistently high inflation could derail the global recovery. In the US, consumer prices climbed a further 1.0% in May to be 8.6% higher for the year as a sharp rise in the prices paid for energy, gas and food continued to impact the cost of living. The outcome followed the 8.3% gain we saw in the 12 months to 30 April and marked the measure's largest reading since December 1981. In response, the US Federal Reserve raised interest rates a further 0.75% midway through June. The move, which was the Bank's biggest rate hike in almost 30 years, came on the heels of a 0.50% increase in early May and sparked fears that higher and faster rate hikes could tip the world's largest economy (and potentially the global economy) into recession.

The continuing sell-off in both shares and bonds meant that all of the NZFSSS investment options, except for Cash, delivered negative returns over the June quarter. Members in options with significant exposure to growth assets, such as shares, will have seen significant declines in their balances over the first half of 2022. However, this comes after a period of strong performance which means that longer term returns remain positive, with the Conservative, Balanced and Growth options returning 2.2%, 4.4% and 5.7% respectively per annum over the last five years after the deduction of fees and tax.

While we do expect volatility to continue in the short term, markets will bounce back. It is important that members focus on the long term and remain invested in order to benefit from the recovery when it takes place.

Read more

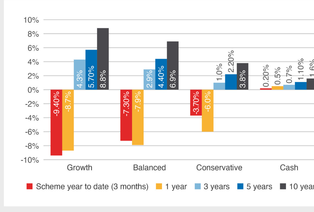
Source: Russell Investments Date: 28 July 2022

Scheme 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 2022 through to 30 June 2022), and returns over the long term; 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.

Member earning rates (1 April 2022 – 30 June 2022)



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 Scheme website.

Financial advice

We all want to get the best out of our savings and to ensure we make informed decisions. Sometimes we have to ask for advice.

While market volatility maybe a key theme this year, it is important to know that moving from one fund to another or withdrawing money at a time when markets are down can cement the losses that you've had. It would be like selling your house if property values fall.

For many people, not making a change to their investment is the best thing to do. If you are thinking of switching funds or withdrawing your money it is important that you seek financial advice.

There are many free online financial planning tools available and financial advisory services that can help you develop or refine your savings strategy. Some of these are published on the Scheme's *'Financial Advice'* webpage at www.firesuper.org.nz/financial-advice.

Start now

Reset your PIN online

You can access your account online at any time by logging in with your PIN. Don't have one or forgot it? No problem! Create or reset your PIN online with your member number (displayed on your annual confirmation), a valid email address (that is registered in our system), and your date of birth. Visit the current website at www.firesuper.org.nz to get started.

Get started

Keep digitally safe

New Zealanders are being impacted by cyber security threats more frequently at both work and home. CERT NZ, an organisation established to support businesses, organisations, and individuals who are affected by cyber security incidents shares some common threats. These include: information leaks, text messaging scams, COVID-19 scams, spam, malware, online identity theft, denial-of-service attacks, phishing, ransomware, unauthorised access, and online scams and fraud. You can read more about each here.

What should you do to keep digitally safe? CERT NZ recommends four steps you can action today:

- **Upsize your password:** *"Long and strong passwords are much harder for attackers to crack. We recommend creating a passphrase, that's a string of four or more words as it's easier to remember and is stronger than a random mix of letters, numbers and symbols."*
- **Upgrade to Two-factor authentication:** *"Upgrading to two-factor authentication (2FA) adds another layer of security to your accounts. It's a simple extra step after you log in, like using your thumb print or entering a code from an app. You can enable 2FA on most of your online accounts, and your devices. You'll usually find the option to turn it on in the privacy settings."*
- **Uphold your privacy:** *"Start by checking that your social media settings are switched to Friends Only, and check that any requests for personal information are legitimate before you share your details. If a company or business asks you for information, think about why they might need it. Do they really need your middle name and phone number? If you're not sure, don't provide the information."*
- **Update your apps and devices:** *"Updating your apps and devices helps keeps bugs and viruses out. Updates not only add new features, they also fix security risks that attackers can use to gain access to your information. Set updates to happen automatically whenever a new version is available. Then you don't have to think about it!"*

This article references material sourced from **www.cert.govt.nz**. Visit their website for more information on **keeping digitally safe**.

Read more

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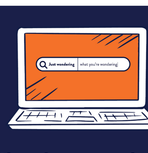

Any money question is a good question!

Money Week is the annual public awareness and engagement campaign coordinated by Te Ara Ahunga Ora (people behind Sorted.org.nz) in partnership with many financial service providers, businesses and organisations that promote financial capability.

This year Money Week will be held between 8-14 August and purpose of this year's campaign is to help demystify money.

The theme 'Just wondering' is back for its final year to keep the kōrero going on money questions. The focus is on encouraging people to talk more openly about money and ask for help.

Why not check out conversation starter cards for families

Time to review your contact details

You will have received your FireSuper annual confirmation and annual report for the year ended 30 June 2022.

It is important that you take a moment now to log in at www.firesuper.org.nz and check that your contact details are correct so there is no delay in these important documents reaching you.

We would also like to encourage you to review your communication preferences and update these to email rather than post. This will ensure you get the notification of when your annual confirmation and the report are available sooner.

HELPLINE
0800 69 78737

RETIREMENT PLANNING

FINANCIAL ADVISERS AT FMA

SCHEME WEBSITE

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