



Firesuper Supernews

April 2020 No. 121

Welcome to the latest edition of Supernews.

The beginning of a new year (and new decade!) is a good reminder to take a moment to log into your online account, use online planning tools, and ask questions to your financial adviser and Helpline team to keep updated on how your long term savings are tracking. It's important to understand your investments and the level of risks and returns involved.

This edition includes the latest Scheme returns, an update on financial markets, comments from the Scheme's investment consultant on how members might best respond to the recent sharp falls in share markets, and some tools you may find helpful when considering your savings strategy for 2020.

As always, 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).

Investment market performance

7 April 2020

After a challenging year for investors in 2018, global share markets staged a stunning comeback in 2019, as investors cheered further interest rate cuts by central banks around the world and a softening of rhetoric around important elements of the US-China trade war. With key interest rates, like New Zealand's Official Cash Rate (OCR), being cut to combat subpar economic growth and offset weakening confidence due to the US-China trade negotiations, fixed interest securities (or bonds) also performed exceptionally well. The price of bonds typically moves inversely to interest rates, meaning that falls in interest rates lead to bond price increases. The strong results from both shares and fixed interest securities meant that most investors had something to be happy about in 2019.

However, sentiment changed dramatically in mid-February as investors woke up to the very real impact that the coronavirus was having on the global economy.

[Read more](#)

Source: Russell Investments.

Member response to market behaviour

The directors recently sought out comments from the Scheme's investment consultant as to how members might best respond to the recent sharp fall in share markets. Russell Investments' thoughts are set out in this article.

[Read more](#)

Source: Russell Investments.

Welcome Martin Dalglish

We wish to welcome Martin Dalglish to the Board of FireSuper Trustee Limited (FTL) who commenced a three-year tenure on 1 January 2020, and replaces Darryl Purdy.

Martin Dalglish has held board positions with NZL Group Limited, a large transport and logistics company, and with the Skylight Trust, a charitable trust providing support to children, families and whanau going through loss, trauma or grief.



Martin is a partner in the law firm, Dentons Kensington Swan, specialising in acquisitions, joint ventures, governance and strategic contracts. He has held positions on the board of the firm and as head of the firm's Advisory practice.

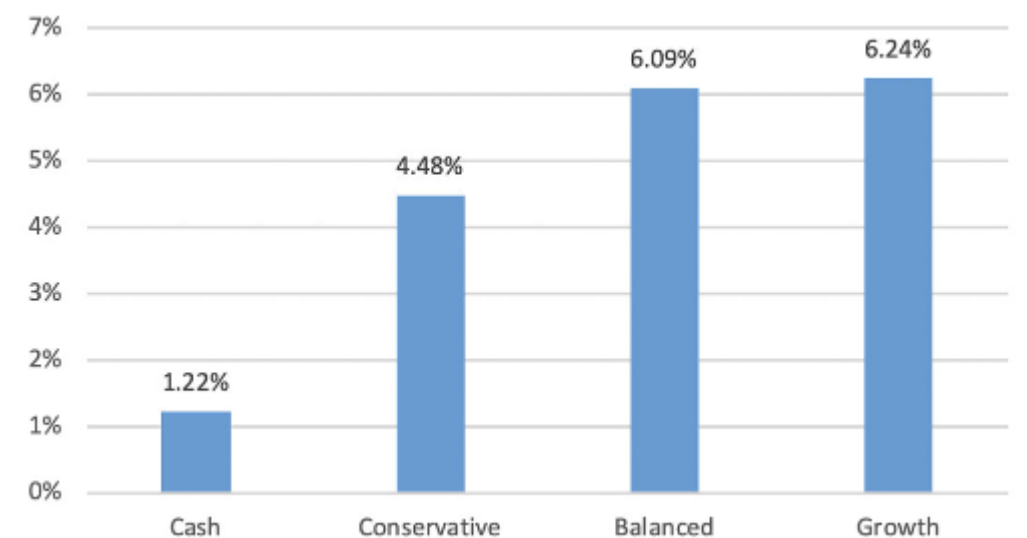
Please join us in welcoming Martin to FireSuper.

Scheme earning rates

(Cumulative year-to-date interim returns)

The chart below shows the earnings rate for each investment option for the scheme over the fiscal year-to-date period (from 1 April 2019 through to 29 February 2020). The Conservative, Balanced and Growth options all performed at the high end of expectations, delivering returns of 4.48%, 6.09% and 6.24%, respectively (net of fees and tax). The cash option delivered a return of 1.1% (net of fees and tax).

Member Earnings Rates (1 April 2019 - 29 February 2020)



Source: Russell Investments, Preliminary Scheme Earning Rates, fiscal year-to-date ended 29 February 2020. Past performance is no guarantee of future results.

The chart above shows the earnings rates up to the end of February. March's earnings rates have not yet been finalised but falls in markets during that month will result in full-year numbers that are much lower than those shown in the chart.

You can find the [Latest Interest Rates](#) on the Scheme website.

How much money do you need in retirement?

The gap between how much money retirees receive from NZ Super and how much they spend is growing. Many retirees today top-up their NZ Super to maintain the lifestyle they want. The latest Retirement Expenditure Guidelines* (as at 30 June 2019) produced by the Westpac Massey Financial Education and Research Centre found that many New Zealanders are working beyond the age of 65 to pay for the shortfall. The report splits the level of expenditure into 'No Frills' and 'Choices'. How much money do you need in retirement? Are you on track to reaching the retirement lifestyle you want? One tool that may help you answer these questions is the Retirement Planner by Sorted.org.nz. See if you're on track financially, or what adjustments you could make that may help you get there.



Plan your retirement

*The full report is available on Massey University's website www.massey.ac.nz.

What type of investor are you? Risk vs. Return.

Determining what type of investor you are and finding the best investment option for your situation and goals has become even easier. Take this investment quiz to find out what type of investor you are, and what investment option may suit you best.

Take the quiz

Your Helpline — Behind the scenes chat with Luke

We speak with Luke, one of the Helpline team members who answers the phones, about what commonly asked questions members have, his role, and when someone should call the team.

Read the full story



Helpline are available Monday to Friday 9am to 7pm (except national public holidays), on 0800 MY SUPER (0800 69 78737)

Top asset class performers of 2019 revealed

What asset class do you think delivered the highest return for 2019? Could it be global shares? Emerging markets? Or the New Zealand share market? The results are now in for the winning asset classes for 2019!

Read more

Source: Mercer

Kiwis spend more time picking movies than checking their retirement savings

Many New Zealanders spend longer choosing a movie to watch than checking their retirement savings, reveals the Financial Markets Authority. A [recent survey](#) of 1,100 New Zealanders found that four out of five people took up to 10 minutes to choose a movie, but just over half of those surveyed spent the same time reading their annual statement. The statement has all the information in one place that members need to check they are on track.

[Read the full story](#)

Estate planning - more than just a Will

Protect what's important to you by planning ahead. Make sure your loved ones are taken care of, and your assets are distributed how you want, if something were to happen to you. So, how prepared are you?

[Read more](#)

Source: Mercer

To find out more about anything mentioned in this newsletter please either call us on **0800 MY SUPER (0800 69 78737)**, email nzfire.super@mercer.com, or visit the Scheme website by [clicking here](#).