

# The Latest News On Your Retirement Savings

## Welcome to the March 2024 edition of the TRSS newsletter.

We hope you had an enjoyable summer and had the opportunity to unwind and recharge. This edition of the newsletter includes a few tools to enhance your financial wellbeing, as well as some tips on setting your financial resolutions for the new year. We also feature market news and Scheme returns, and encourage you to review your investment options so that they align with your financial goals.

If you have any queries or feedback about the Scheme or the communications material, please reach out to the Helpline on **0508 4 TEACH (0508 4 83224)** or email [teachersretire@mercero.com](mailto:teachersretire@mercero.com).

Regards,

Mercer,  
On behalf of Public Trust as Trustee

## Financial wellbeing resources

Financial wellbeing refers to how well someone can meet their current and future financial needs. To achieve financial wellness, it is important to develop good spending and savings habits, have clear financial goals for both the present and retirement, and take practical steps to achieve those goals. The tools mentioned below not only help with saving money, but also encourage positive changes in money management habits, assist with budgeting, and aid in long-term financial planning.

### Savings calculator » Sorted

This tool enables you to visualize the growth of your savings over time, especially with the help of compounding interest.



### Budgeting tool » Sorted

Budgets act as roadmaps for your finances, helping you keep track of how much you spend and save. This tool creates a visual representation of the money you earn and spend, so that you can make the most of your funds.



### Retirement calculator » Sorted

By using this tool, you can assess your financial situation to determine whether you are on track for the retirement lifestyle that you desire.



### Getting advice » FMA

You can access a wealth of information on financial advice and where to get it from the link below.



### MoneyTalks

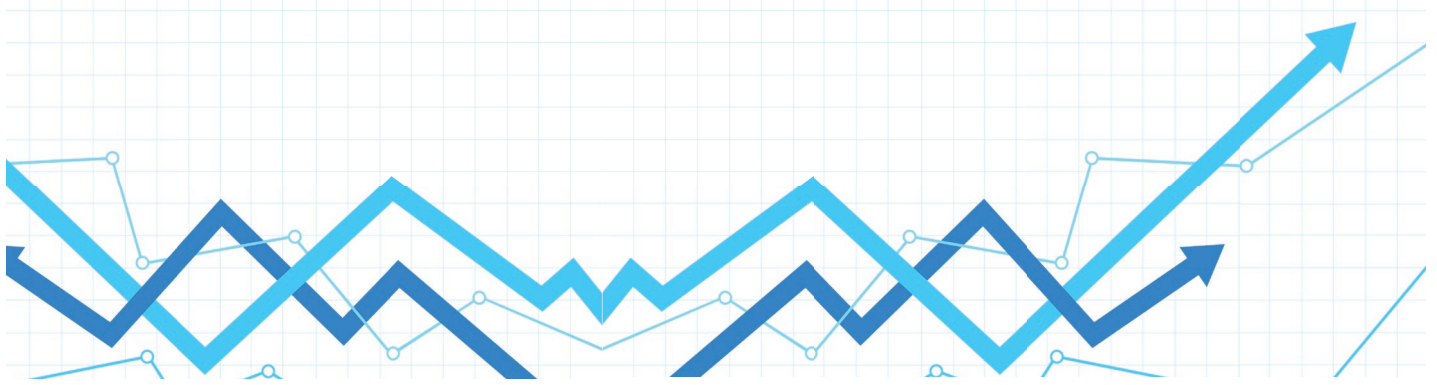
Get in touch with MoneyTalks if you need help with day-to-day money matters like budgeting and debt management.



### FSC Retirement Planning Guide

The Financial Services Council (FSC) has published a comprehensive guide on successful retirement planning. This guide includes the New Zealand Society of Actuaries' rules of thumb to assist members during their 'spend in retirement' phase.





## Market news

(A glossary of terms is included below for this update, and you can read more on our [website](#).)

Glossary of terms



The last quarter of 2023 began in a similar way to how the previous quarter ended, with some ups and downs in the stock markets. However, the markets quickly bounced back and started to rise again, reaching levels close to their highest points in 2023. Both **equities** and **bonds** saw strong returns after a poor start in October, with November providing the strongest set of monthly returns in over three years.

US markets received a leg-up as investors reacted with fervour at the prospect of rate cuts in 2024. With market commentators pronouncing the rate hiking cycle to be at its end and rhetoric from the **US Federal Reserve (Fed)** striking a **dovish** tone, markets jumped at the first sign of a let-up in rates. Of particular note were the S&P 500 and NASDAQ, which were up 11.7% and 13.8%, respectively. As we have seen more than once in this cycle, Wall Street has been much more eager in its expectation for rate cuts, pricing in sharper and more prompt rate cuts than communicated by **Fed** officials.

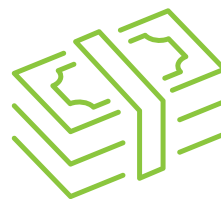
This expectation of imminent rate cuts also fed through into global bond markets, with yields falling across the curve in response. The Bloomberg Global Aggregate Bond Index (100% hedged to NZD) returned 5.7% over the quarter.

US economic data softened through the quarter, with annual **Consumer Price Index (CPI)** slowing from 3.7% to 3.2% in October and to 3.1% in November. Economic growth for Q3 was revised down to an annualised 4.9% from 5.2%. Job growth also slowed in the US as unemployment hit 3.7%, while non-farm payrolls were up approximately 180,000 in November and 150,000 in October, both short of the 2023 average.

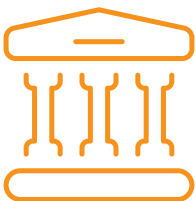
The same story played out in other territories, with weakening economic data and strong investment returns coming amidst a **dovish** monetary policy backdrop. The Eurozone and the UK largely followed the US, as the expectation that there would be no further rate hikes spurred equity returns. Eurozone **CPI** fell during the quarter, with November's data coming in at 2.4% year-on-year. In the UK, **CPI** dropped to 3.9% year-on-year, much lower than the previously predicted 4.4%. Moderating economic data gave credibility to the argument for rate cuts to begin in 2024, though both central banks remained coy.



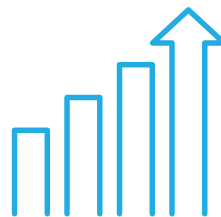
**Equities:** They are also known as stocks/shares. Buying equities can give you partial ownership in a company, which means you can earn profits if the company does well.



**Bonds:** A bond is a loan to a company or government that pays investors a fixed rate of return over a specific timeframe.



**US Federal Reserve (Fed):** Often referred to as the Fed, this institution serves as the central bank of the United States. It is tasked with managing the country's monetary policy, including setting interest rates.



**Dovish:** A dovish monetary policy means policymakers (like the Fed) favour measures to stimulate economic growth, like lowering interest rates or implementing accommodative policies.



**Consumer Price Index (CPI):** CPI tracks average price changes of goods and services over a period of time, while indicating inflation and cost of living.

## Scheme returns

The table below shows the returns of each investment fund for the first seven months of the Scheme year, along with the returns from the two years prior.

	Scheme Year-to-Date 7 months to 31 January 2024	12 months to 30 June 2023	12 months to 30 June 2022
Cash Fund	2.36%	2.9%	0.5%
Stable Fund	2.49%	2.8%	-4.8%
Balanced Fund	2.93%	6.0%	-7.4%
Growth Fund	3.20%	8.0%	-8.5%

You can find the latest information on monthly returns here:



## New year, new financial resolutions

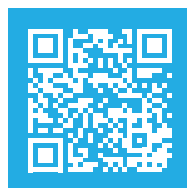
Are you still working on your resolutions for this year? One important resolution to consider is regularly reviewing your retirement savings, as it plays a crucial role in securing your financial future. Here are some tips to help you stay on track:

- **Ensure you are in the right investment option:** Staying in an investment option that is unlikely to generate potentially higher returns can cost you a significant amount of money over your lifetime. The Scheme offers four investment options, allowing you to choose the ones that best suit your personal situation (more on this in the article below).
- **Consult a financial adviser:** Speak with a financial adviser to discuss your financial goals and get personalised advice. You can find more information and resources [on our website](#).
- **Update your contact details:** Log in to the [Scheme website](#) and ensure your contact details are up to date. This way, you will receive the latest information about the Scheme and your investments promptly.
- **Stay informed:** Take the time to read the [Scheme documentation](#) on topics that interest you. Additionally, revisit the [Member Booklet](#) to familiarise yourself with all the benefits available to you.

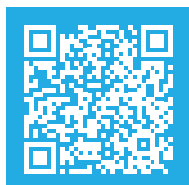
By following these tips, you can take control of your retirement savings and work towards a financially secure future.



Financial advice details



Scheme website



Scheme documentation



Member Booklet

## Reviewing your investment options

Now that you've worked on your New Year's resolutions, here are more details about the investment options available to you in the Scheme. Life can throw unexpected curve balls and the financial markets can also be unpredictable, so it is important to assess your situation and see if your super is headed in the right direction.

The Scheme offers you four investment funds – Growth, Balanced, Stable and Cash. You have the option to decide whether you want to put your money in a single fund or a combination of funds for your current account balance or future contributions.

The Scheme allows you to switch your investment fund(s) at any time. You will not be charged any fees for the first time you switch your investments within the financial year (1 July – 30 June). However, there will be a fee if you make any additional changes during the same financial year. Currently, the fee for subsequent changes is \$40.

You can switch your investment option(s) online by logging in to [www.teachersretire.org.nz](http://www.teachersretire.org.nz), by calling **0508 4 TEACH (0508 4 83224)**, or by filling in the **Investment Alteration Request form** (also available on the website). Before making any changes or switching your investment fund(s), it is advisable for members to read the **Member Booklet** (which can be found on the website and provides information on the switching process) and seek guidance from a professional advisor.



Investment Alteration  
Request form



Member Booklet

### More information



Retirement  
calculator



Financial  
advisers



Helpline  
**0508 4 TEACH (0508 4 83224)**  
[teachersretire@mercer.com](mailto:teachersretire@mercer.com)



Scheme  
website



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