

LATEST NEWS ON YOUR RETIREMENT SAVINGS

March 2020

Welcome

After an extended period of positive returns, share markets have been experiencing significant sell-offs in recent weeks as the world grapples with the uncertainty of the spread of Covid-19. A fall in oil prices following a breakdown in discussions between Russia and Saudi Arabia has added to weak investor sentiment. Central banks and governments have both enacted and are preparing countermeasures. The Federal Reserve completed an "emergency" cut series of rates to the official cash rate. Other central banks have taken similar steps, including in New Zealand. Measures to ramp up fiscal expenditure and support business activity are well in train.

This edition focuses on the recent impacts from the coronavirus outbreak, the Scheme's returns, an interview with your Helpline team and the services available to help you make the most of your membership in the Scheme.

How much money do you need in retirement?

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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 to help you get there.

Plan your retirement at sorted.org.nz/tools/retirement-planner

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

Scheme returns

The table below shows the returns of each investment fund for the first eight months of the Scheme year, along with a comparison to the returns for the year prior.

Returns after tax and expenses			
	12 months to 31 December 2018	12 months to 31 December 2019	Scheme year-to-date 8 months to 29 February 2020
Cash Fund	1.51%	1.26%	0.7%
Stable Fund	0.59%	7.24%	2.4%
Balanced Fund	-1.17%	12.53%	2.3%
Growth Fund	-2.47%	16.15%	2.1%

Financial markets update

2019 was a bumper year for share markets, and December was no exception. Progress towards achieving a Phase One trade deal between the US and China fuelled the rise, supported by indications that global interest rates will remain largely 'on hold' during 2020.

January proved to be an eventful month. After a strong start with the signing of Phase One of the trade deal between the US and China, things worsened as the coronavirus epidemic emerged and triggered a sell-off in global share markets in the final week of the month. The recent outbreaks of the virus will only add to the uncertainty and significantly widen the range of outcomes for global economic growth. If the downward trend of new cases in China continues, Chinese authorities may loosen restrictions on business in those provinces deemed less at risk of spread, enabling economic activity to resume.

Read more at secure.superfacts.com/public/trss

Coronavirus Implications – Investment Update

Global markets recently tumbled in the last week of February, dragging down the S&P500 (main US equity market) more than 10% in just a week, reflecting rising fears over the coronavirus that is spreading quickly around the world. What does this mean for you, and should you be concerned?

Read more at secure.superfacts.com/public/trss

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 at survey.mercer.com/MST_Risk_Profiler.aspx

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 more at secure.superfacts.com/public/trss

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 in to the team.

Read more at secure.superfacts.com/public/trss

Helpline are available Monday to Friday 9am to 7pm (except national public holidays), on **0508 4 TEACH (0508 4 83224)**.

To find out more about anything mentioned in this newsletter please call us on 0508 4 TEACH (0508 4 83224), email teachersretire@mercercor.com or visit www.trss.superfacts.co.nz.

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