



Ports Retirement Plan

Chairmans Newsletter – December 2024

Performance since 1 April 2024

The first eight months of the Plan's financial year saw good overall returns. While the period began shakily, subsequent strong performance has brought returns well into positive territory. The good performance has been in large part due to many central banks beginning to lower their policy interest rates after several years of high interest rates intended to combat high inflation.

Equities saw continued growth over the eight months to 30 November 2024, both internationally and, to a lesser degree, in New Zealand. The New Zealand share market saw a return of 8.4% over the period, as measured by the S&P/NZX 50 index. After initially falling, the index subsequently rose considerably, buoyed by the Reserve Bank of New Zealand's decision to lower the New Zealand Official Cash Rate (OCR) in August. This rate was lowered again in October and November.

The international share market rose substantially over the period. One of the main drivers of this outcome was the strong returns from US mega-cap technology companies, particularly those with products related to the field of artificial intelligence (AI). However, this has seen a widening of the gap between the best performing stocks and the remainder of companies on the index, leading some to question whether these stocks are overvalued.

In addition, investments in the listed property and infrastructure asset classes had a positive contribution on the Plan's overall performance. Both areas have seen good growth over the year-to-date period; the result from the global infrastructure sector being particularly strong.

The Plan's fixed interest investments have also seen good returns, as this sector has benefitted more directly from the lowering of interest rates. Rates had been unusually high over the last few years in an effort from central banks to control the high levels of inflation experienced in most economies. However, as inflation has cooled over the last year, rates have been lowered, which has led to gains in the market value of the Plan's fixed interest investments.

The Plan's holding in alternative assets (through a multi-strategy investment fund) saw a less impressive return: 2.2% for the year to date. These investments are more complex than traditional investments and are intended to provide returns with a low correlation to other asset classes, potentially providing positive returns while other markets are struggling. There is a small allocation to alternative assets in the Balanced Portfolio only.

The Balanced Portfolio, which most members are invested in, has returned 7.6% (after fees and tax) for the period from 1 April 2024 to 30 November 2024. The Conservative Portfolio, available to deferred members, has seen a return of 4.9% (after fees and tax) over the same period.

Our outlook for the near future is cautiously positive. However, it is important to remember that volatility should still be expected, especially as conflict continues in Eastern Europe and the Middle East. Trump's re-election may also have unforeseen effects on the market, positive or negative.

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Year ending 31/03/2025

Month ended	Month After tax at 28% PIR	Month After tax at 17.5% PIR	Month Before tax	Year to date After tax at 28% PIR	Year to date After tax at 17.5% PIR	Year to date Before Tax
Balanced Fund						
30 April 2024	-2.0%	-2.0%	-2.1%	-2.0%	-2.0%	-2.1%
31 May 2024	1.2%	1.3%	1.5%	-0.8%	-0.8%	-0.6%
30 June 2024	1.1%	1.1%	1.2%	0.2%	0.3%	0.6%
31 July 2024	2.7%	2.7%	2.8%	2.9%	3.1%	3.4%
31 August 2024	0.5%	0.6%	0.9%	3.4%	3.8%	4.3%
30 September 2024	1.1%	1.2%	1.4%	4.6%	5.0%	5.8%
31 October 2024	0.0%	0.0%	-0.1%	4.6%	5.0%	5.7%
30 November 2024	2.9%	3.0%	3.1%	7.6%	8.1%	8.9%
Conservative Fund						
30 April 2024	-1.2%	-1.3%	-1.4%	-1.2%	-1.3%	-1.4%
31 May 2024	0.7%	0.8%	1.0%	-0.5%	-0.4%	-0.4%
30 June 2024	1.0%	1.1%	1.2%	0.6%	0.6%	0.8%
31 July 2024	1.6%	1.7%	1.8%	2.2%	2.3%	2.6%
31 August 2024	0.3%	0.4%	0.6%	2.4%	2.7%	3.2%
30 September 2024	0.8%	0.9%	1.1%	3.3%	3.7%	4.3%
31 October 2024	-0.1%	-0.2%	-0.3%	3.1%	3.5%	4.0%
30 November 2024	1.7%	1.8%	1.9%	4.9%	5.3%	6.0%

New Plan Secretary

The role of Plan Secretary is undertaken by the new RMTU Administration Officer, Lara Topping

Contact details are:

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Regards

Paul Drummond, Chair

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