



# Ports Retirement Plan

## Chairmans Newsletter – March 2025

Dear members,

In recent weeks, share markets have recorded sizeable losses. Understandably, the Plan has not been immune to the sell-off, and we estimate that the returns for the period from 1 February to 20 March 2025 are as follows (before the deductions of fees and tax):

- Balanced Portfolio: -2.8%
- Conservative Portfolio: -1.0%.

A key reason for these losses has been investors reacting to the growing uncertainty around the policy agenda of the new US president, as well as broader concerns about an uptick in inflation and lower economic growth in the world's largest economy.

While the recent negative returns are disappointing, they are relatively contained owing to the diversified nature of the Portfolios. Further, it is worth emphasising that the outcome has been positive for most of the Plan's financial year prior to this. As such, the estimate of the financial year to date return to 20 March remains very healthy for both Portfolios: +7.1% for the Balanced Portfolio and +5.2% for the Conservative Portfolio (again, before the deduction of fees and tax). While these figures will move around in the final days of the financial year, if a result near this is realised, the Balanced Portfolio's return will be similar to the average return seen over the previous ten financial years.

As you will be aware, the Plan outsources the day-to-day management of its investments to a range of professional investment management teams. These teams are assessing investment markets and economic conditions daily and trading as required. The Plan's investment managers, and the long-term strategy followed by the two Portfolios, are subject to regular review by the Trustee in consultation with its investment advisor.

The Trustee Directors are conscious of the need to focus on the medium to long-term. This requires an investment strategy which takes on an appropriate degree of investment risk which will see volatility from time to time and, sometimes, losses in the short-term.

It is estimated that most of the Plan's members have a fairly long investment horizon. By way of example, a New Zealander aged 65 today is expected to live a further 23 years on average. Thus, even for members approaching the age 65, the Directors believe there is a need to consider a medium to long-term investment horizon.

Overall, whilst mindful of market conditions and the performance of the investment managers, the Trustee Directors remain confident in the strategy in place for both Portfolios and believe them to be well positioned to deliver good outcomes to members.

Members are reminded that the Trustee Directors are not able to provide personal financial advice. We recommend that you seek appropriate independent advice which takes into account your own specific circumstances before making any investment decisions.

On behalf of the Trustee,

Paul Drummond, Chair

20 March 2025

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