



## Chairman's Special Update

20 March 2020

The purpose of this newsletter is to bring you up to date on the volatility in the investment markets following the outbreak of Covid-19.

The Trustee is mindful that members will be concerned at the effect of the outbreak of Covid-19 and the resulting economic disruption on investment markets. Share markets have fallen substantially around the world and this is inevitably affecting investment returns.

The returns (after tax at a PIR of 28%) for the month of February were -3.4% for the Default Fund and -0.9% for the Conservative Option giving YTD returns for the Default Fund and Conservative Option for the 11 months to the end of February of 5.2% and 5.3% respectively. Since the end of February, share markets have continued to be very volatile to the extent that for the full financial year, it is likely the return of the Default Fund, in particular, will be negative.

The following table shows the monthly interest allocations that were approved by the Trustee to 29 February 2020.

Month ended	Month After tax at 28% PIR	Month After tax at 17.5% PIR	Year to date After tax at 28% PIR	Year to date After tax at 17.5% PIR
<b>Default Fund</b>				
30 April 2019	1.6%	1.5%	1.6%	1.5%
31 May 2019	-1.0%	-1.0%	0.5%	0.5%
30 June 2019	2.3%	2.4%	2.8%	2.9%
31 July 2019	1.5%	1.5%	4.3%	4.5%
31 August 2019	0.2%	0.2%	4.5%	4.7%
30 September 2019	0.9%	1.0%	5.5%	5.7%
31 October 2019	0.0%	0.0%	5.5%	5.7%
30 November 2019	1.9%	1.9%	7.5%	7.7%
31 December 2019	-0.1%	0.0%	7.4%	7.7%
31 January 2020	1.4%	1.4%	8.9%	9.3%
29 February 2020	-3.4%	-3.5%	5.2%	5.5%
<b>Conservative Option</b>				
30 April 2019	0.7%	0.6%	0.7%	0.6%
31 May 2019	0.0%	0.1%	0.7%	0.7%
30 June 2019	1.5%	1.7%	2.2%	2.4%
31 July 2019	1.0%	1.0%	3.2%	3.5%
31 August 2019	1.1%	1.2%	4.3%	4.7%
30 September 2019	0.0%	-0.1%	4.3%	4.6%
31 October 2019	-0.2%	-0.2%	4.1%	4.4%
30 November 2019	1.0%	1.0%	5.1%	5.5%
31 December 2019	-0.1%	-0.1%	5.1%	5.5%
31 January 2020	1.1%	1.2%	6.2%	6.7%
29 February 2020	-0.9%	-0.8%	5.3%	5.8%

## Trustee's Response to Current Market Uncertainties

Faced with the current market uncertainty, the response of the Trustee is to retain the current asset allocations of shares and bonds in both the Default Fund and the Conservative Option. Markets will recover at some stage and taking a long-term view is in accordance with the Trustee's investment beliefs set out in our Statement of Investment Policies and Objectives, and the advice of our Investment Consultant.

Paul G Drummond  
Acting Chairperson