



The purpose of this newsletter is to bring you up to date on some of the recent matters addressed by the Trustee.

### Plan Earning Rates

Investment markets have continued to deliver good returns for the Plan. Since the start of the financial year (1 April 2021), the monthly earnings rates approved by the Trustee are as shown in the table below.

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>Balanced Fund</b>				
30 April 2021	2.1%	2.2%	2.1%	2.2%
31 May 2021	0.1%	0.1%	2.2%	2.4%
30 June 2021	-0.6%	-0.8%	1.6%	1.6%
31 July 2021	1.0%	1.0%	2.6%	2.6%
31 August 2021	1.0%	1.0%	3.5%	3.7%
<b>Conservative Fund</b>				
30 April 2021	1.0%	1.1%	1.0%	1.1%
31 May 2021	-0.2%	-0.1%	0.8%	0.9%
30 June 2021	-0.2%	-0.3%	0.6%	0.6%
31 July 2021	0.8%	0.9%	1.4%	1.5%
31 August 2021	0.7%	0.7%	2.1%	2.2%

As you can see, a member in the Balanced Fund with a 28% tax rate has a return for the 5 months to 31 August 2021 of 3.5%. It is pleasing to see a solid start to the Plan year in terms of earnings rates, although investment markets remain quite volatile. Indeed, the September month earning rates will see a reversal of some of these gains.

### Investment market commentary (to 31 August) and outlook

Investment markets in aggregate have had a relatively strong start to the Plan's financial year, with the domestic and global share markets contributing the most strongly. The standout performer has been the global listed property sector (a sub-set of the global share market), which has returned more than 17% (before fees and tax). The Plan's domestic fixed interest investments have seen small mark-to-market losses as interest rates have risen over the last five months. Global fixed interest markets have been more kind, delivering more than 2% (before fees and tax) despite the low running yields on offer.

As vaccine rollouts continue at pace in New Zealand and overseas, there is general optimism amongst investors. While there will certainly be volatility in markets, especially in relation to risks such as new virus variants and geopolitical tensions between the West and China, the medium- and long-term outlook is for reasonable returns. However, given the relatively low level of interest rates in fixed interest markets and high level of valuations in share markets, returns are likely to be lower than we have seen in recent years

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# Ports Retirement Plan

## **Value for money**

The Financial Markets Authority have recommended that trustees regularly consider whether members are getting value for money relative to the services offered. I am pleased to advise that a recent review of AMP Capital Investors resulted in a considerable reduction in the investment management fees being charged to the Plan.

## **Trustee Changes**

On 17 June 2021, Andrew Clark (Lyttelton Port Company) was appointed as the replacement Port Companies Trustee Director for Jonathan Gardiner.

Paul G Drummond  
Chairperson

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