



New Zealand Harbours Superannuation Plan

Chairman's Newsletter

August 2005

The most recent meeting of Trustees was held on 18 August 2005. The purpose of this newsletter is to bring you up to date on some of the issues discussed by the Trustees.

Investment performance

The quarter ended 30 June 2005 was one in which all asset classes produced positive returns. While international markets ended over 3% higher, helped by strong growth in China and moderate growth in the US, the New Zealand market had a rise of just over 7%. In the fixed interest sector, there was a fall in both New Zealand and international long term interest rates.

Economic evidence indicates that New Zealand growth is slowing, with lower corporate earnings appearing. The Reserve Bank of New Zealand held the Official Cash Rate at 6.75% during the quarter. A similar situation is evident in Australia, with the economy slowing. Property prices continued to strengthen on both sides of the Tasman, with high levels of activity and an expectation that prices will remain positive.

The quarter saw the New Zealand dollar hold its own against the US dollar, moving between 70 US cents and 73 US cents, but lost a little to the Australian dollar, finishing the quarter at just over 91 cents. However the price of oil remains a major concern.

Investment managers are still suggesting that reasonable investment returns will be obtained on equities over the year, while the fixed interest sector is likely to have lower returns.

Plan earning rates

Based on the returns over the quarter, a rate of interest of positive 2.75% after investment fees and expenses was allocated to members' balances for the quarter ending 30 June 2005.

As the investment managers project positive returns for the next quarter, the Trustees have approved an interim after tax rate of 1.75% for the balance of the quarter. That interim rate is used only to calculate benefits for members who leave the Plan.

Have you checked the website

The Plan website is now fully functional and can be viewed by members and potential members on <http://www.harbourssuper.org.nz>.

The Trustees intend that Plan information will be updated as and when needed. Much of the information about the Plan has to be changed on a regular basis, either because of legislative requirements or because the Trustees recognise the need for change. Most recently an updated Statement of Investment Performance and Objectives was placed on the website.

Specific information about the balances and benefits for each member of the plan is held on a secure part of the website. Of interest, more than 600 members of the Plan have logged on and viewed their balances and benefits. Updated member balances and benefits will be placed in the members secure section of the website every three months.

If you have any suggestions for improving the website, please contact the Administration Manager.

Statutory requirements

The Trustees were advised that the Prospectus and the Investment Statement are being updated to comply with legislation. The current Prospectus and the Investment Statement are held by each employer and Union and the Administration Manager and copies can be obtained from them on request.

Complaints

The Trustees were advised that there are no outstanding complaints. Members should be aware that a complaints procedure is available to them if there are outstanding issues that they do not consider have been dealt with satisfactorily.

David S Stevens
Chairman of Trustees