

## Newsletter November 2019

The most recent meeting of the Directors of Opus Downer Retirement Trustee Limited (Trustee of the Opus Downer Retirement Scheme) was held on 29 November 2019 and this newsletter is to bring you up to date.

### Investment returns to 30 September 2019

The investment performance of the Balanced Fund and the Cash Fund for periods up to 30 September 2019 are summarised in the following tables:

Balanced Fund		
Period to 30 September 2019	Actual Return	Benchmark Return
3 months	3.1%	2.9%
1 year	10.2%	8.2%
3 years	9.3% pa	8.7% pa

Cash Fund		
Period to 30 September 2019	Actual Return	Benchmark Return
3 months	0.7%	0.4%
1 year	2.5%	1.9%
3 years	2.5% pa	2.0% pa

The returns shown are gross returns, before tax and investment costs.

At the end of each month (except for July when the year-end processing is in progress) interim interest rates are calculated, based on the actual investment return for each of the Funds less estimated investment charges and tax. The rates are applied on the balances of members who exited the Scheme or who switched their investments between the Balanced and the Cash Funds during the quarter. The interim interest rates for the year to date are shown in the table below:

Month	Cash Fund	Balanced Fund
August 2019	0.3%	2.3%
September 2019	0.4%	2.8%

### Investment markets – update since 30 September (comment written 9 December)

#### Equities

While October was relatively weak, the month of November has resulted in positive returns. Driving this were an improved global trade outlook, stronger economic data releases, and some idiosyncratic factors (e.g. a takeover bid for Metlifecare).

The New Zealand market has performed particularly well in this short period, with most of the good performance concentrated in the larger local companies.

A rebounding New Zealand dollar has eroded some of the gains on unhedged shares, but otherwise global markets have generally been positive.

#### NZ cash and fixed interest

Interest rates have risen since the end of the quarter, meaning that fixed interest investments are showing weaker, or even negative, returns. As interest rates rise, fixed interest securities drop in value in the short-term. However, in the longer term higher interest rates result in higher earnings.

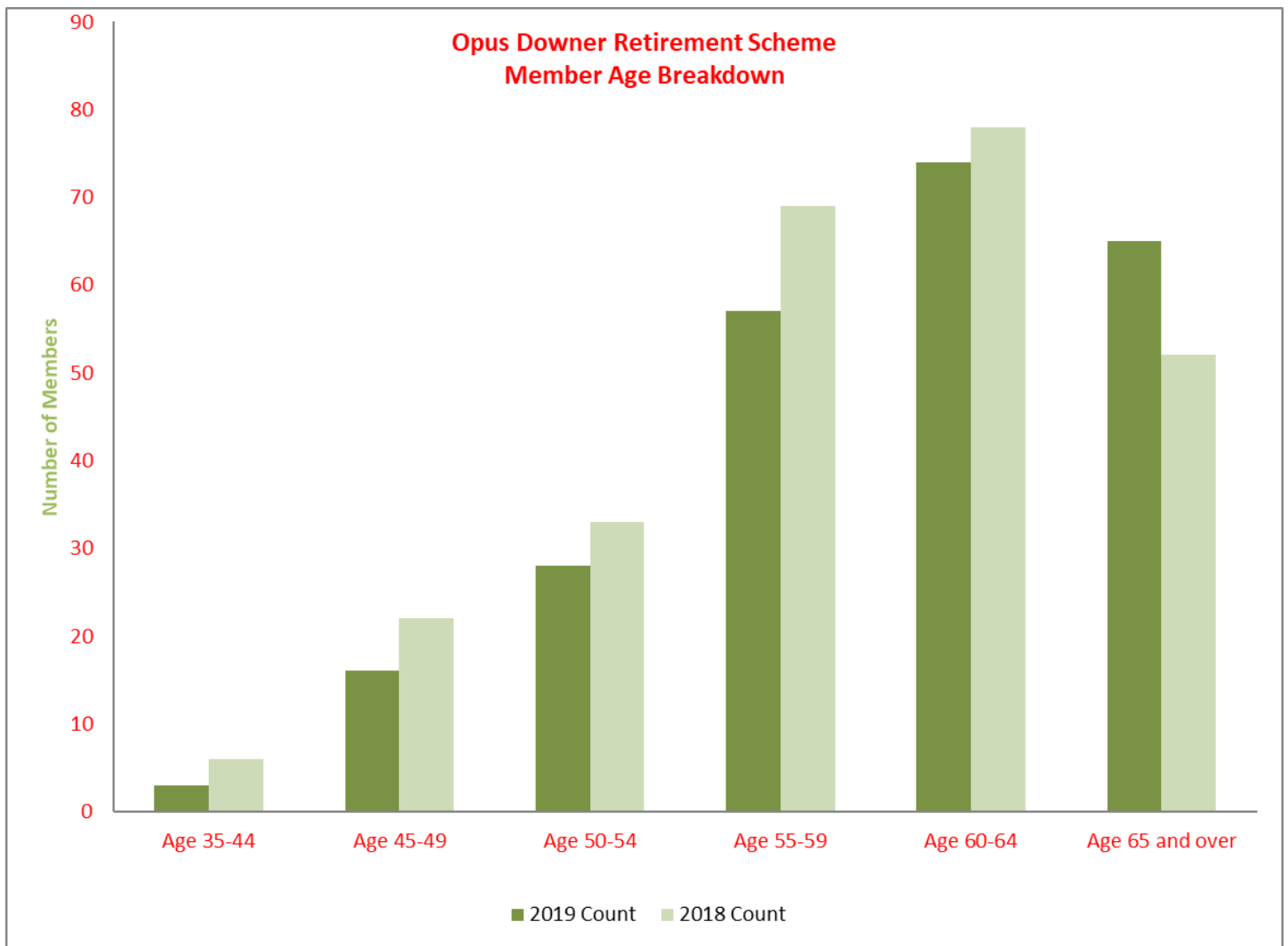
Cash continues to provide low and stable returns.

#### Matters of Interest

##### Membership profile

The membership profile of the Scheme is something the Directors monitor regularly. The chart overleaf shows the membership split into 5-year age bands as at 30 September 2018 and 30 September 2019.

The average age at September 2019 was 60.3 compared to 59.4 at September 2018.



The Scheme website can be accessed by members through: [www.workssuper.org.nz](http://www.workssuper.org.nz)

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

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