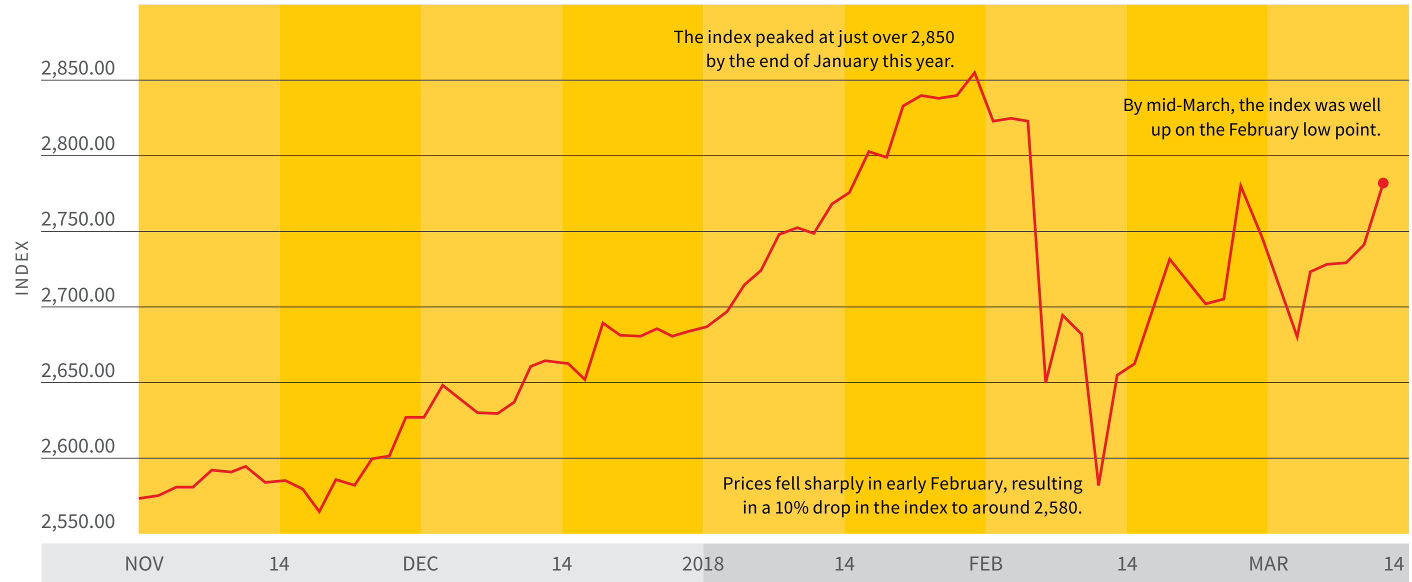
New Zealand Post Superannuation Plan

NEWSLETTER TO MEMBERS FROM THE TRUSTEE | MARCH 2018

Market correction wasn't a surprise

Share prices around the world have been riding high since March 2009. Late January saw a new high for the S&P500 index (see below) followed by a sharp drop in early February. Historically, the markets have had similar falls every two years or so, and the drop is not extreme in percentage terms. It took the market back to the level seen only a few months earlier in November 2017, and since then, markets have rebounded. However, the drop will affect returns for the Long Term Fund and Medium Term Fund.



The S&P500 index tracks the fortunes of share prices in the USA's largest listed companies. The index is widely seen as a gauge of the health of the US economy.

What should you do?

Don't chop and change. Your savings for retirement should be considered a longer-term investment, and chasing returns by regularly changing how you invest across the three funds (Short Term, Medium Term and Long Term) is not always the best strategy. If you change funds when the market drops, you simply lock in those losses – and miss out on the upswing when fortunes change for the better.

The risk profile you have selected should reflect a longer-term view of your savings.

When did you last review your risk profile?

Ask yourself whether your current investment strategy really is the best one for you. The critical issue is how long you have still to invest. All investments can produce negative returns from time to time, but higher-risk investments like shares tend to experience greater volatility than others. On the plus side, they also tend to produce higher returns in the long term. However, you need time to ride out the ups and downs. The closer you are to retirement or requiring your super, the more likely you are to prefer an option weighted towards lower-risk, less-volatile investments like cash and bonds. As a guide, the following investment timeframes are suggested for our three funds:

- Long Term Fund: 10+ years
- Medium Term Fund: 3 to 10 years
- Short Term Fund: up to 3 years

Follow fund performance online

Check out the latest returns each month on the website. Select 'See latest returns' on the home page. We post the previous month's returns about the 20th of the following month.

Mr A B Sample
123 Sample Street
Sample Suburb
Sample City 1234

Moving to a casual or temporary contract?

You must fill out a *Leaving form*, even if you're staying on as a casual or temporary employee. That's because you can only contribute to the Plan if you're a permanent employee. You have two options. You can:

- claim your benefit, or
- choose to leave some or all of your money in the Plan and become a deferred member (your options for leaving money in the Plan are explained on page 2 of the form).

Either way, you need to fill in a *Leaving form* and send it to Payroll. You can download the form from our website or call the helpline.

Insurance

Any life insurance you have with the Plan stops on the last day of permanent employment. Deferred members don't qualify for life insurance from the Plan. You may be able to continue cover by transferring to a personal policy but only if you leave before age 65. If you do this within 60 days of your official leaving date, you won't need to provide evidence of good health, and all pre-existing conditions will be covered. Get in touch with the Plan's insurance advisor Tony O'Brien on (04) 819 4075 or 027 240 6759 or email tony.obrien@aon.com.

Cut-off date for payments from the Super Plan

Each year, we stop payments for a few weeks while we finalise the annual accounts. Mercer needs to receive your request for payment form by **5.00pm Thursday 22 March** if you want to withdraw money from the Plan for any reason before we stop payments. If Mercer receives your form after this date, your payment won't be made until 22 May.

Annual account statements

We'll be posting your annual account statement in June. Make sure you let us know if your address has changed. If you work for New Zealand Post, call the Payroll helpdesk on 0800 767 868. Phone the helpline on 0800 697 728 (choose option 1) if:

- you work for one of New Zealand Post's subsidiary companies, or
- you're no longer with the company but have left your savings in the Plan as a deferred member.

Don't leave your family in financial stress

There's a reason we keep reminding you to take care of details like updating your nominated beneficiary. Unfortunately, we see difficult cases for families when a member dies without having nominated a beneficiary or made a will. In some cases, it's six months before we can pay out the member's benefit or release any insurance payment to the family. This can be extremely stressful as families struggle to meet funeral costs, rent or mortgage payments and living expenses – especially if the member has been the main breadwinner. Look out for the nomination of beneficiary form that comes with your annual account statement. If it's blank, fill it in and send it back. If it's out of date, correct it and send it back. Contact your solicitor if you don't have a will or you do but think it needs updating. Alternatively, contact the Public Trust. Visit www.publictrust.co.nz.

Check out the latest returns, get answers to your questions and find the form you need at **www.superplan.co.nz**

Help when you need it

Call the helpline if you have a question about your savings or you need to make a change.

0800 NZP SAVE

0800 697 728 (choose option 1)

There's someone available to take your call from 9am to 7pm Monday to Friday (excluding public holidays).

You can also email your request to nzpostsuper@mercer.com or fax to (04) 819 2699.

Call 0800 697 728 and choose option 2 if you need to talk to the management team.