

In-Tandem Insight

December 2016

Welcome from the Chairman

Welcome to the final 2016 edition of the Westpac In-Tandem newsletter.

It was a busy year, with a lot happening behind the scenes to transition the Scheme to the Financial Markets Conduct Act (FMCA), which was completed on 30 September 2016. The Scheme is now registered under this new legislation and the requirements of the FMCA apply. While the transition does not impact your scheme benefits in any way, you may be interested to find out more about the new legislation and the transition in this year's [Annual Report](#).

This year we were also proud to launch the MySuper Planner to In-Tandem members. It is a great tool that can help you plan for your retirement, by working out how much accumulated savings you may have at retirement and how long your savings may last during your retirement. If there is a gap between how much you may have and how much you consider you will need, there are steps you can begin to take today to help close that gap. As the planner is personalised to you and In-Tandem, it is only available once you sign in to your account on the Scheme's web site. We'd like to encourage you to invest 10 minutes by signing in to your account and checking what your projected retirement balance might look like.

We are always looking for member stories to share with you and other members of the Scheme. You may have read tips from one of our Westpac advisers about benefits of seeking advice or how one of the Scheme members bought her first home. We've also heard from some of the Trustees who shared their knowledge and experiences with you and more will share their stories in the future. If you would like to share your story in one of the newsletters or the annual report in 2017, please do not hesitate to contact any of the Trustees or contact me directly at Bruce_Kerr@westpac.co.nz.

On behalf of all the Trustee Directors enjoy this holiday season and we'll be in touch again in the New Year.

Bruce Kerr,



Chairman



The Listening Ear

As Trustee Directors of the Scheme we love getting feedback. It helps us improve the Scheme services and how we communicate with you. Earlier this year we asked you for your feedback and we were overwhelmed with how many of you answered our call! Thank you!

662 members responded

23% called the Helpline and
 **79%** rated your experience as Good or excellent

32% male **68%** female

82% members had accessed the website

88% think they receive enough communications

Your feedback

First Home Withdrawal Facility

"I was making the first home deposit withdrawal - awesome initiative guys - without it I would still be saving!! Thanks so much for helping make it happen!"

Hardship Withdrawal Facility

"Didn't get the outcome I was looking for but the message was fair nevertheless and well communicated."

Contribution Communications

"Show some scenario's about when and how much is paid."

Combined Annual Report and Benefit Statement

"Good to have the projections of balance on retirement by way of income."
 "Great to see where I invest and performance, as well as photos of the team."

We have also identified a few areas for improvement, and will work on these next year.



Your In-Tandem Account Online

It is great to see that so many members of the Scheme are using the website to check their balance, update details or change investment options. Some members have suggested in the member survey that they would like to hear more about the features and also where to find information about their account.

You'll find a suite of great features and tools at westpacintandem.co.nz. Make the most of them!

Sign in to your account

You just need two pieces of information to sign in to your account

- your membership number which is your Westpac Staff Number (without M or F); and
- a PIN. You can select your own PIN and change it at any time. If you forgot your PIN and know that you have provided your email you can change it at any time. Otherwise please call the Helpline team on 0508 468 263.

View your account summary

Don't wait for the annual statement; view a summary of contributions and investment earnings for your account on the [account summary page](#).

See your transaction history

View a detailed list of day-to-day transactions for your account for the current financial year on the [transaction history page](#).

Change your investment options

You can change where your existing account balance and/or your future contributions are invested at any time, and at no cost to you. Just sign into your account and go to [your investments page](#).

Update your contact details

If you have moved house or are about to, you can update your contact details under the [personal details page](#), by clicking on [update your current details](#).

Download Forms

To download forms, for example if you need to apply for a First Home Withdrawal, click on the [Documents and Forms](#) tab before you sign in to your account.



Make The Dream Of Owning Your Home A Reality

Do you own your own home? If yes, then you know what an accomplishment it is and how much it took to get there. All over New Zealand we have seen the impact of the rising houses prices, particularly so in the Auckland region, but other areas are also experiencing a rise in house prices.

If you don't own your own home, then hopefully you would have read our article in the June edition of the In-Tandem newsletter with interest. Let's quickly re-cap.

From 1 July 2016, the income cap of \$80,000 was removed for those individuals who will withdraw funds to purchase a home where they have owned property previously. The Trustees have agreed that this change will also apply to In-Tandem members.

You also can't have realisable assets totaling more than 20% of the house price cap for the area you are buying in. See the Scheme's website westpacintandem.co.nz for more details.



Take Action Or Miss Out

If you are receiving this newsletter by email, that's great! Having your email address helps us stay in touch, especially because this newsletter and more communications from 2017 will only be sent to members of the scheme electronically.

To ensure we can send you personalised communications we would like to encourage you to provide your personal email address.

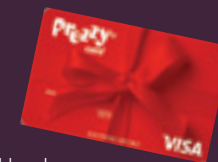
We would like to encourage you to check and update your email address to your personal email for all communication types.

To check your email address, please sign into your account at westpacintandem.co.nz and click on the Personal Details tab. You can also call the Helpline and they will update it for you.

The winner of the \$100 Prezzy Card draw was

Stacey

from the Newmarket branch in Auckland.





Market Update

Most financial markets experienced strong gains for the three months to September 2016. Growth assets (equities and listed property) performed particularly well for the period with the New Zealand equity market the standout performer gaining almost 7%¹. The high yielding and defensive nature of many New Zealand companies continued to support demand for equities while the profit reporting season for domestic companies was solid, with many corporates delivering on investors' high earnings expectations.

Global equity markets also performed well over the quarter, rebounding strongly following the shock Brexit induced sell off at the end of June. Equities were supported by an increase in accommodative central bank policy from the UK and Japan, better than expected company earnings results, and a rebound in commodity prices. The MSCI World Index (in local currencies) finished up 4.8% and 2.7% in NZ dollar terms.

Income assets (bonds and cash) also generated positive performance for the quarter as long dated bond interest rates generally fell. Global bonds² returned 1.0% for the quarter and New Zealand bonds³ 0.9%. Central bank monetary policy and ongoing uncertainty around the implications of Brexit continued to positively impact the performance of global government bonds while domestically, long term bond interest rates reached a new record low driven by strong investor demand for interest bearing investments.

More recently, the Trump win and republican sweep in the recent US elections had a dramatic impact on market expectations, sparking large movements across many asset classes, including bonds, equities and currencies. Markets have reacted to changing expectations towards US growth, inflation and fiscal policy. This has seen favourable movements in equities with US shares hitting all-time highs, while bond yields have moved higher in anticipation of higher future interest rates leading to losses from bonds.

Continued uncertainty is expected and when combined with Brexit negotiations, unrest in the Middle East and North Africa, and below trend global economic growth, higher volatility across financial markets may be an outcome. Given this, the key for investors is to remain well diversified, avoid the temptation to amend your investments in response to new information that may be temporarily or transitory in nature, and be prepared for some movement in the value of your portfolio.

¹ S&P/NZX50 Index Gross

² Barclays Global Aggregate Index (100% Hedged to NZD)

³ S&P/NZX NZ Government Bond Index



How has your fund performed?

Investment Performance as at 30 September 2016			
	3 Months	1 Year	3 Years pa
Cash Fund	0.5%	2.1%	2.4%
Defensive Fund	1.0%	4.0%	3.9%
Moderate Balanced Fund	2.0%	5.4%	5.8%
Growth Fund	2.7%	6.4%	6.9%
High Growth Fund	3.7%	8.0%	8.3%

Source: BT Funds Management, returns are after fees and taxes



Useful Links And Contacts

Westpac In-Tandem Helpline:

0508 468 263

Westpac Investment Advisers:

0800 601 901

Scheme's website:

westpacintandem.co.nz

First Home Withdrawals

[First Home withdrawal form](#)

[Frequently Asked Questions](#)

[Housing New Zealand](#)

Feedback about the newsletter:

Email Bruce Kerr at Bruce_Kerr@westpac.co.nz

