

# Supernews

## Member Investment Choice - update

**T**his Supernews should be considered in conjunction with Supernews 90, 91 and 92 and the brochure issued earlier

Trustees have not yet been able to sell assets from the AMP Property Fund on behalf of the Cash and Conservative options as initially the Fund was closed to withdrawals. Since December 2008 the Fund has reopened for new monies and withdrawals. The Trustees have made an application for a withdrawal to allow them to sell all the property assets from the Cash and Conservative options. Trustees await a response from AMP Capital Investors.

Members will be kept informed of progress related to this matter.

Those Members who transferred from the Cash Portfolio to the Cash option on 01 October 2008 still remain in the ring-fenced Cash option. In January 2009 the Trustees were advised that new contributions for these Members were being allocated to the new Cash option which was incorrect. Mercer, the scheme Administrator, is currently correcting this error which has led to incorrect Accumulation balances being shown at the web site. Until recently investments were denoted as being in the Westpac Cash Management Account and this has now been corrected.

Supernews 92 confirmed the

transfer of all the cash Portfolio assets from the Westpac Cash Management Account to the ING Wholesale Cash Fund following a review of the securities held in the ING Fund by the Investment Adviser. The ING Wholesale Cash Fund is the fund the Trustees have been using to manage the cash assets of the scheme for a number of years. A number of Members have contacted the Trustees expressing concern related to this matter. The following information is provided about the ING Wholesale Cash Fund.

Securities in this Fund are held with the major New Zealand Banks by way of deposits and Floating Rate Notes – long term investments whose interest rates are adjusted periodically in line with a benchmark rate – making them very similar to a term deposit. Other investments are made in Local Authorities and other securities that have acceptable credit ratings, and Cash.

The Fund is required to be invested within specific ranges for each asset class, has written Investment Guidelines and a Deed of Agreement all of which have been agreed to by the Trustees.

Members who still have questions related to the ING Wholesale Cash Fund should direct them to the scheme Secretary set out above.

Supernews 92 advised of a change to the way the interim interest rates would be displayed

as a consequence of a new method of applying these rates.

Unfortunately a misunderstanding occurred in the way interim interest rates for the period from 01 to 05 December 2008 were applied and this created a large reduction in Member Accumulations at the web site until the misunderstanding was corrected on 26 January 2009. The misunderstanding was simply that the interim interest rates for 01 to 05 December 2008 were applied after that period when in the past this had not been the case.

Members who left the scheme whilst this misunderstanding occurred were paid an incorrect benefit payment and this has now been corrected.

No Member has suffered any financial loss.

Trustees had in place an audit process to ensure that Member Accumulations were being checked against investment performance and ultimately the amount of funds in each Member Investment Choice option but the first audit had not been completed for the quarter to 31 December when two Members contacted the Chairman and the writer on 20 January 2009.

Subsequent to this Trustees have resolved to have this audit process carried out monthly until 31 March 2009 when its frequency will be reviewed.

The audit process carried out on the numbers at the end of December and January has produced a small difference between the figures and the scheme's Consultants are working through that matter. Members can now have the utmost confidence that accurate interim interest rates calculated by the Investment Adviser are being correctly applied by the scheme Administrator.

Members should be aware that any Accumulations shown at the web site are nothing more than a guide. The 'actual return applied to your account will be the applicable rate at the date a benefit payment is made.'

Those Members who had advised the scheme that they wished to receive communication from the Trustees by e-mail were made aware of this misunderstanding and its subsequent correction by e-mail on 26 January 2009.

New Zealand law precludes the scheme from sending e-mail communication to any person who has not given their permission to receive same so a general e-mail was not able to be sent to all Members at the time.

## Keeping in touch

Any Member who currently does not receive communication by e-mail from the scheme and who wishes to do so from now on should send an e-mail to the e-mail address set out on the front page of this Supernews stating their wish to receive such communication in the future and setting out their current e-mail address in the message area.

You will then be added to the current listing of those Members who are able to receive up to date information from the scheme by e-mail.

## 'Supernews Now'

This is the new section at the web site where Members are able to review any recent announcements related to the scheme.

Go to [www.firesuper.co.nz](http://www.firesuper.co.nz) and click on the 'Supernews Now' link on the left hand side of any page at the web site.

## Scheme Solicitor

Members are advised that the Trustees appointed DLA Phillips Fox, of Wellington, as their Solicitor from 08 January 2009 to replace Ernie Gartrell who had held that position for almost twenty years.

## Benefit payments

Members are advised that benefit payments now take longer to finalise than in the past. Benefit payments will generally be paid **fifteen working days** after the cessation of employment with the Fire Service.

Members are reminded that before any benefit payment can be made all questions in Part 1 of the 'Cessation Advice and Discharge' form must be completed in full and the form returned to the scheme at the address set out on it.

No benefit can be paid until a bank deposit slip has been provided to the scheme. No benefit will be paid prior to your final day of service, which includes any leave remaining to

be taken, irrespective of any arrangements you may have made.

Any Member who requires any clarification on this matter should contact the scheme Secretary.

## Lost souls

If any Member knows the whereabouts of:

- W Bloodworth, of Richmond, Nelson or
- Hamish Nicol, of Napier

please ask them to contact the scheme Secretary at any of the addresses set out on the front page of this Supernews. Thank you!



**BARRY DENT**  
**SCHEME SECRETARY**