

WHAIRAWA

INVESTMENT COMMENTARY



SEPTEMBER 2019

As with any investment, it is important that it is suitable for your personal circumstances. It is important that you seek advice from an appropriately authorised financial adviser.

You can find information about Whairawa Unit Trust on the Disclose register managed by the Registrar of Financial Service Providers. We encourage investors to take an interest, review their own investment choices and ask questions about where and how their money is invested.

The information contained in this document is intended for general guidance and information only and is **not personalised** to you. It does not take into account your particular financial situation or goals. Before making any investment decision, you should refer to the Product Disclosure Statement and / or consult an appropriately **authorised** adviser.

Whairawa NGĀI TAHU

Whairawa Fund Limited is the issuer of the Whairawa Unit Trust. A Product Disclosure Statement for the Whairawa Unit Trust is available at www.whairawa.com/pds/.

MARKET SUMMARY

Financial market performance in September was a step in the right direction following the recent period of returns going up and down.

Global share markets have once again achieved positive returns for the month and investor preferences shifted back into growth assets over the month. It is a reminder to investors that the woes of one month will not necessarily carry forward into the one that follows.

Developed share markets which include the US, UK, Canada, Australia, and New Zealand presented positive returns, with the MSCI World Index returning +2.3% in local currency. The rebound of New Zealand (+1.8%) and Australian (+1.8%) share markets was below that of their global counterparts, while the Global Listed Property (+2.6%) and Infrastructure (+1.9%) sectors continued to offer strong returns. Bond market yields rose over the month, losing value as investor preference favoured shares.

Oil prices spiked during the month as much as 20% after attacks in Saudi Arabia significantly reduced and disrupted supply. This destroyed more than half of the kingdom's production and 5% of global supply. The attacks showcased yet another trial for a global economy already stricken by waning industrial activity and notable international trade pressures.

During September the United States Federal Reserve cut the target range for the Federal Funds rate to 1.75% - 2%, in line with market expectations. Despite a strong US labour market and moderate economic activity, global trade tension remained heightened. The Fed is one of twenty major central banks who have reduced rates this year.

The Reserve Bank of New Zealand left the Official Cash Rate (OCR) unchanged at 1.0% at its Monetary Policy Committee meeting on September 25 and suggested that further stimulus is needed to help grow New Zealand's economy.

Significant developments include:

- The United States Federal Reserve cut the target range for the Federal Funds rate to 1.75%–2.00%, in line with market expectations.
- The Reserve Bank of New Zealand left the Official Cash Rate (OCR) unchanged at 1.0% at its Monetary Policy Committee meeting on September 25.
- Oil prices spiked as much as 20% after substantial supply disruption following attacks in Saudi Arabia, eradicating more than half of the kingdom's production and 5% of global supply.

THE WHAI RAWA UNIT TRUST

Whai Rawa funds are invested in Mercer Investment Trusts New Zealand's Conservative Fund (the Fund), which has a mix of defensive and growth assets. The benchmark split is 80% defensive assets, such as bonds (50%) and cash (30%) and 20% growth assets, such as shares (16%) and real assets (4%). The Fund is expected to achieve slightly higher returns over the medium term (at least 3 years) than those expected from investing solely in bank term deposits, but there is a possibility of some fluctuations in returns in any one year.

The fund is spread across many investments and managed by other professionals. This way of investing means that you don't buy shares directly in companies, but are exposed to these indirectly through pooled funds.

More information about the Whai Rawa Unit Trust can be found in the Product Disclosure Statement and the latest fund update which is available on the Whai Rawa website.

If you have any pātai/questions please get in touch with:

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Te Rūnanga o NGĀI TAHU

Whai Rawa NGĀI TAHU