

Quarterly Market Review

For the Quarter ending 30 June 2023



Nicole Pask
Compliance Manager

Kia Ora, I'm Nicole, Compliance Manager. I'm responsible for ensuring we meet our many legal obligations when it comes to investing.

As a professional investment advice company, we need to comply with many pieces of legislation designed to protect New Zealanders when they invest. This includes protecting your privacy, reducing the risk of financial crime, and minimising other risks relating to your investment. These are a requirement of all investment advisers in New Zealand, and at IWIinvestor, we have many years of ensuring our systems and operations are very robust and thorough.

Whether its identifying new Trustees, reporting to the Board, or creating and maintaining the many policies and processes we have, you'll find me behind the scenes ensuring we comply.

Ngā mihi

Key Developments

June Quarter 2023

Inflation – up?

Some country's central banks are still increasing their interest rates in an effort to slow down inflation (e.g. the United Kingdom). This is still affecting some bond prices negatively.



Inflation – down?

In other countries, when inflation is trending downwards, this can affect the sharemarket positively. The S&P500 (an index which measures the biggest companies in the USA) returned 8.7%.

Pandemic officially ends

The world health organization ends declaration of global health emergency

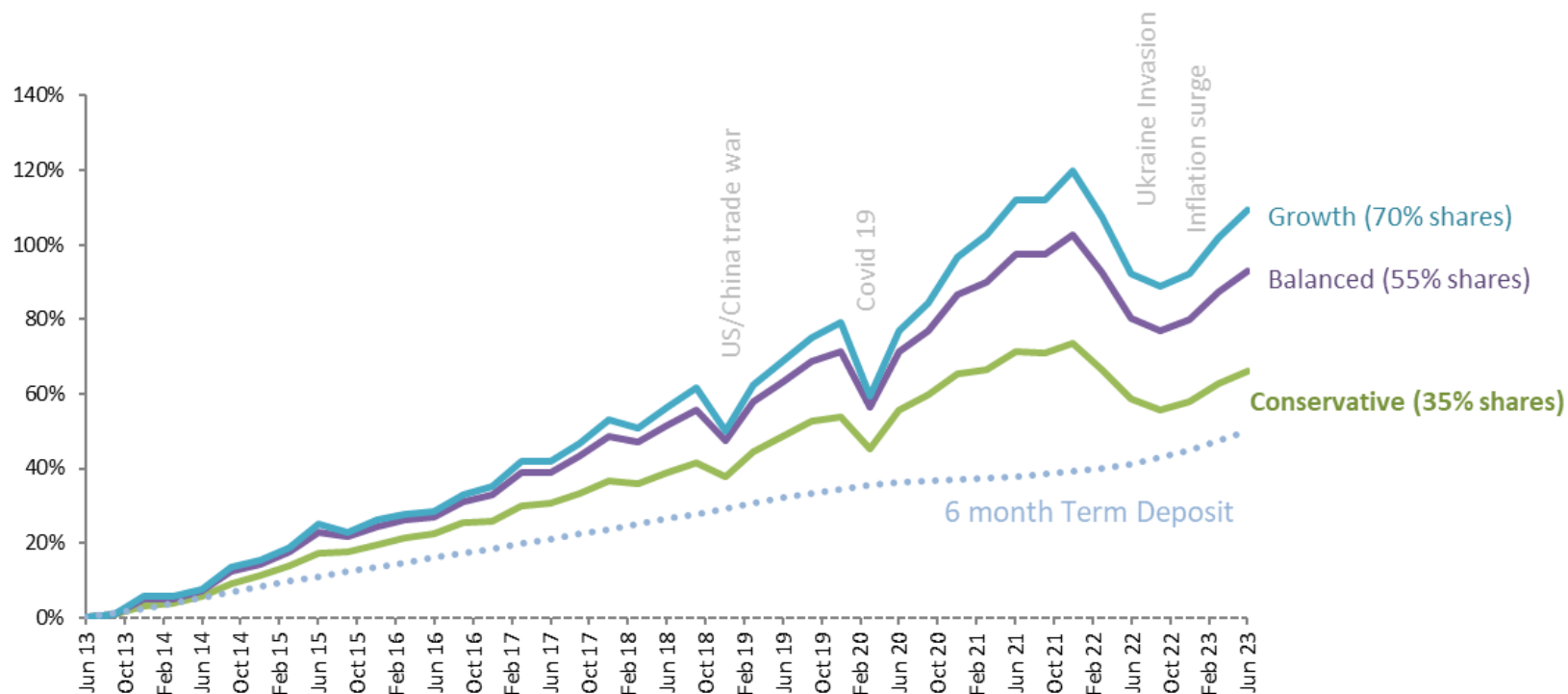


Enthusiasm over Artificial Intelligence

Many big stocks such as Meta, Apple and Google provided the biggest gains in value this quarter due to the excitement around Artificial Intelligence (AI).

Portfolio Performance

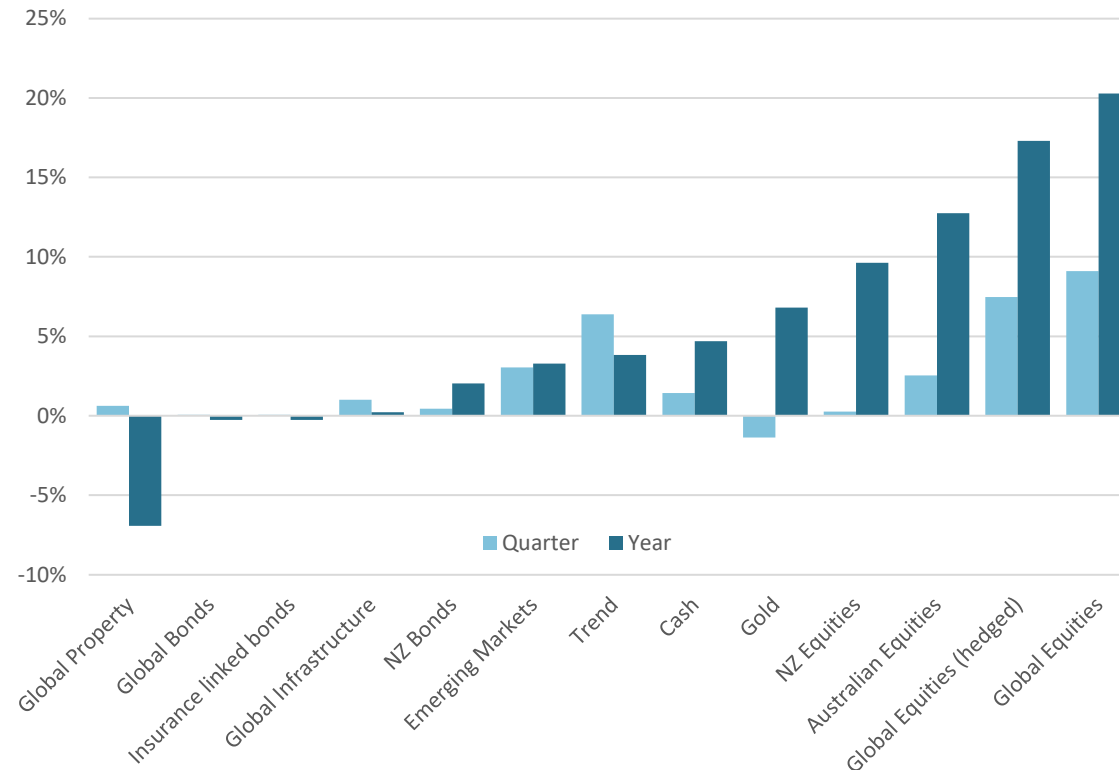
June Quarter 2023



- Before tax performance of IWIinvestor main portfolios for the last 10 years, after Fund Managers fees are taken out.
- 6 month Term Deposit retail rate from www.RBNZ.govt.nz.

Asset Class Performance

June Quarter 2023



The chart shows asset class returns in NZ Dollars. For more information on the underlying indices [contact us](#).
Source: Morningstar Direct, MyFiduciary

Asset Class Comments

Defensive Assets

These assets tend to be lower in risk and less volatile.



Cash

The Official Cash Rate rose in the quarter from 5.25% to 5.5%. The Reserve Bank has said they won't increase again this year. The increases are an attempt to stop the cost of goods and services rising (inflation).



Bonds

NZ and International bonds had a slower quarter, but we expect bonds to recover as inflation starts to lower around the world.



Alternatives

Gold had a negative return – possibly as the US debt crisis resolved, investors returned to income producing low risk assets such as term deposits, or moved to sharemarket investments as share returns improved.

Growth Assets

More volatile assets but are likely to keep up with inflation over the long term.



Property & Infrastructure

Property shares and infrastructure were both positive again. These assets only make up a maximum of 10% of your overall portfolio.



Shares

International shares rallied well again, and if you are in a balanced or growth portfolio, this asset class is the majority of your portfolio so you will be noticing your balance increasing noticeably.

Emerging markets and NZ and Australian shares returned positive results again, but make up a small part of most portfolios.

Understanding your quarterly reports

PORTFOLIO MOVEMENT

	3 months from 1 Jan 2023	12 months from 1 Apr 2022
Opening Balance	\$205,767	\$220,114
Deposits	\$	\$
Withdrawals	\$	\$
Closing Balance	\$212,692	\$212,692
Net gain/loss	\$6,924	-\$7,422
Return Before Fees & Tax	3.63%	-2.43%
Return After Fees & Tax	3.37%	-3.37%

Your returns for
the quarter and
for the year

PORTFOLIO GOALS

- Withdraw up to \$35,000 for a water works project by end of 2021
- Protect the unclaimed dividends of \$95,000 against inflation at 2%
- Protect and grow investment capital

Your goals

PORTFOLIO ACTIVITY

- This year has started well for your Moderate portfolio, with gold, global equities and infrastructure being the standout investments this quarter.

Any activity for
the quarter

THEMES IN MARKETS

- Reports of inflation slowing around the world resulted in positive returns for the sharemarket and fixed interest markets.
- Markets climbed higher over the March quarter despite monthly volatility and wobbles in the banking sector. Global equities had the strongest returns, followed by emerging markets and then NZ and Australian stocks.
- Bonds also rose over the quarter, in part because they now offer +5% running yields. Gold performed well, in response to the banking sector issues in the quarter.

Comments from
IWIinvestor on
the markets

KEY POINTS

- Corrections, and negative returns, are expected. We have a very complex environment internationally which presents us with risks as well as opportunities. We work closely with our research partner MyFiduciary and you may notice some changes to your portfolio. Any changes we make maximise your chance for a better return within this environment.

Understanding your quarterly reports

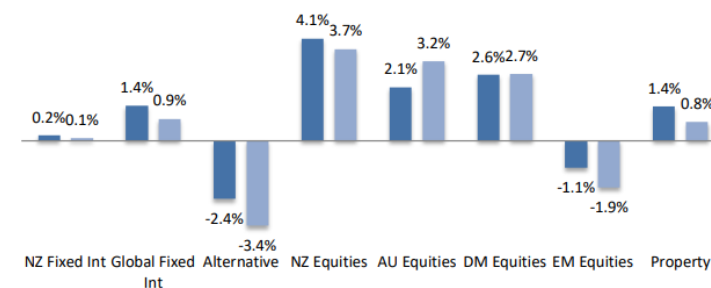
Traffic light system enables us to highlight any issues

PORTFOLIO COMPLIANCE REPORT

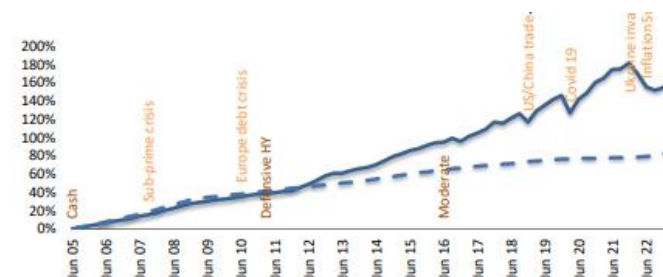
Balanced Portfolio	Status	Comment
Volatility (1 year)	■	within expected ranges
Peer Return comparison	■	above average peer return
Asset weightings	■	within ranges
Avg return since inception 6.0%	■	in line with expected return 6.1%
Portfolio Review	■	due - adviser to action
Managed Funds due diligence	■	none on watch list

Detailed performance of individual assets, compared with a standard benchmark

December Quarter Sector Returns



A graph showing your return over time, market events and changes



Further Reading



Model Portfolio information

Link [HERE](#)



Kōrero Haumitanga – investment stories

Link [HERE](#)



Our approach to socially responsible investment

Link [HERE](#)



Detailed Economic Commentary from our research partner, MyFiduciary

Link [HERE](#)

About Us

- We have been providing investment advice for Trusts, Hapū, IWI and other Māori entities, as well as individuals and whanau, since 1996
- We provide low cost, independent and socially responsible portfolios
- According to independent research, our portfolios consistently rank highly compared to our peers

The Team



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