

Quarterly Market Review

For the Quarter ending 31 March 2023

Kia Ora



Sarah Delany
Investment Adviser

I'm Sarah and I'm one of the Investment Advisers here at IWIinvestor. If you want to distinguish your bank deposit from your bond, or your money from a managed fund, then I'm here to help!

This quarter saw a bit of a see-saw. Sharemarkets went up, down then up again over the past 3 months. We had some banking sector issues, but then we had positive news about inflation slowing. The fixed interest investments saw positive returns as they start to benefit from increasing interest rates. Overall the quarter was positive for all portfolios.

If you have any questions - large or small! - feel free to contact me any time on sarah.delany@iwiinvestor.co.nz.

Ngā mihi

Key Developments

A See – Saw of a quarter

Both sharemarkets and fixed interest markets had volatility throughout the quarter as economic and market confidence ebbed and flowed. However overall the markets bounced higher overall.



All portfolios produced positive returns

Although there was volatility throughout the quarter, the markets bounced back to produce good returns throughout the quarter.

Inflation continues to slow

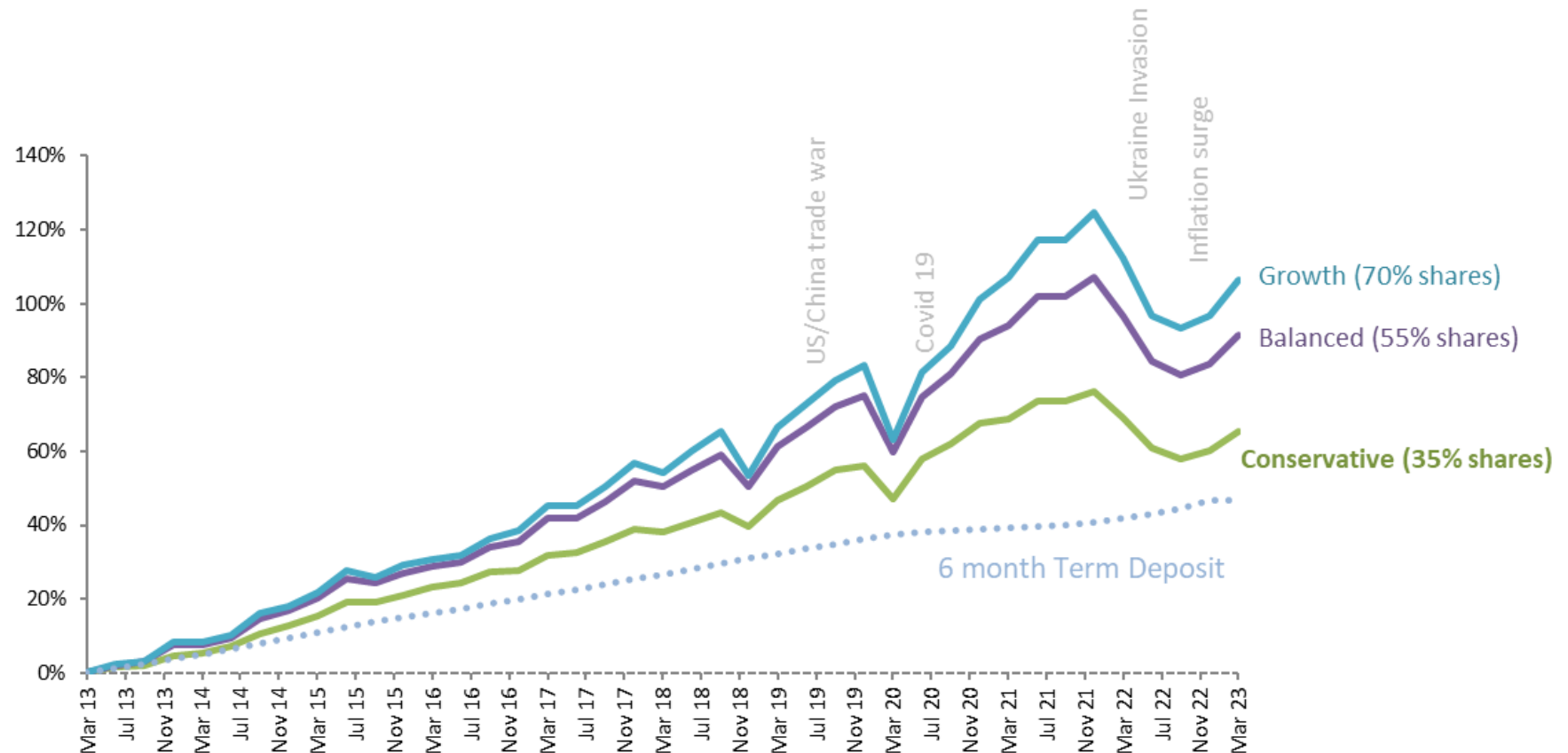
Reports of inflation slowing around the world resulted in positive returns for the sharemarket and fixed interest markets.



Covid and China

Covid influences are diminishing – China is reopening and shortage of goods has reduced and delivery times improving and fears of global recession are lessening.

Portfolio Performance last 10 years



- Before tax performance of IWlinvestor 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.

Q1, 2023

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 4.25 to 4.75%, with many economists predicting a peak of 5.25% to 5.5%. This is the highest it's been in 14 years. The Reserve Bank is hoping these rises put a brake on NZ inflation. Experts don't expect a decrease in the Official Cash Rate until mid-2024.



Fixed Interest (bonds)

Both NZ and International bonds had a positive quarter, following a negative year in 2022.



Alternatives

Gold performed well, we think in response to the banking sector issues in the quarter.

Growth Assets

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



Property & Infrastructure

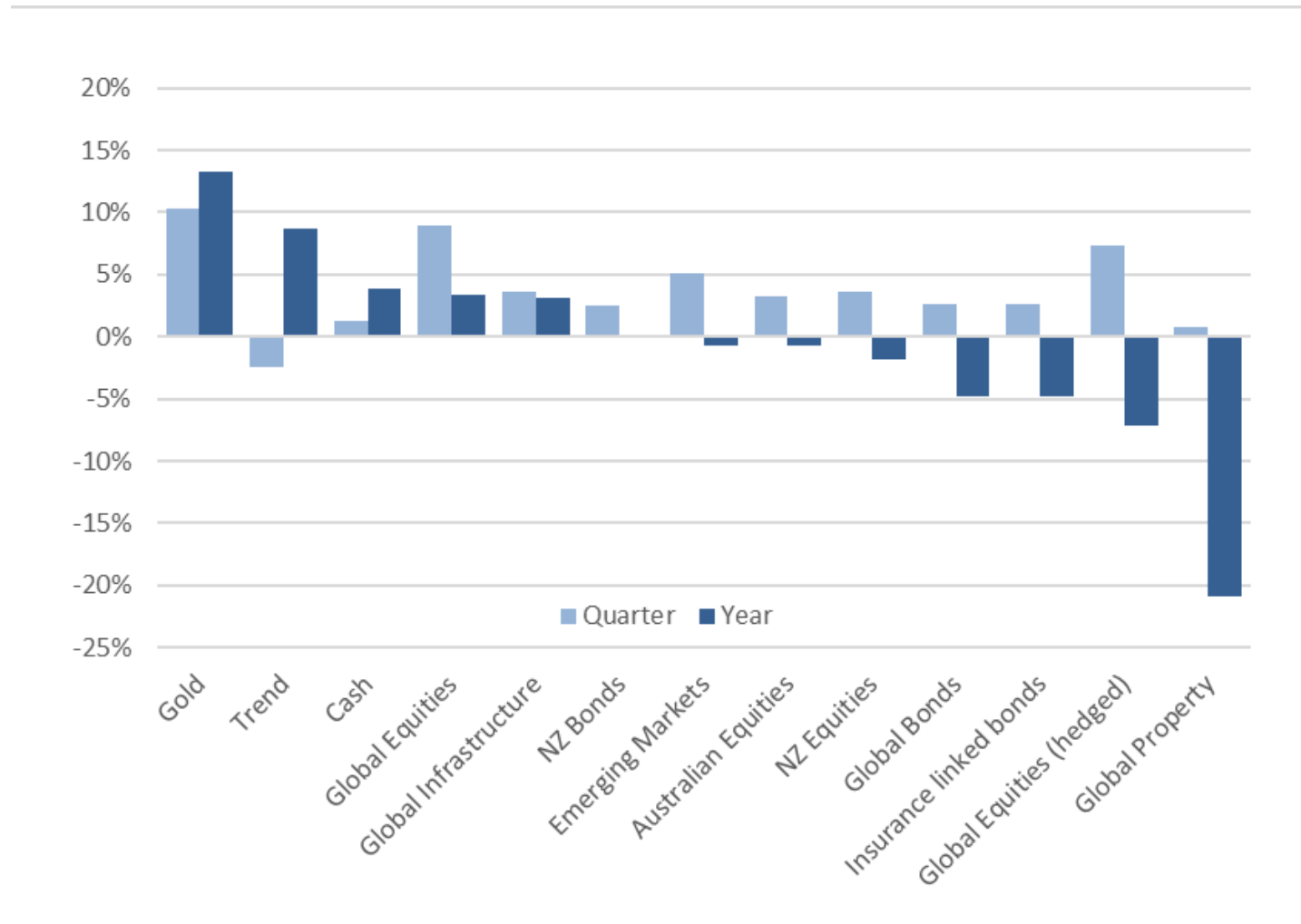
Property shares struggled, but infrastructure performed well again. In most portfolios, these assets only make up 5-10% of your overall portfolio.



Equities (shares)

International shares rallied strongly, and if you are in a balanced or growth portfolio, this asset class is the majority of your portfolio. Emerging markets and NZ and Australian shares also returned positive results but make up a small part of most portfolios.

Asset Class Performance



Q1, 2023

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

Further Reading



Model Portfolio information

Link [HERE](#)



Kōrero Haumitanga – investment stories

Link [HERE](#)



Our approach to socially responsible investment

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



Linda Mastny
General Manager



Ariana Dais
Operations Manager



Sarah Delany
Investment Adviser



Nikki Pask
Compliance Manager



Rosa Shaw
Office Manager