

SuperLife KiwiSaver scheme

Annual Report – 31 March 2016



Your SuperLife 24 hours a day, 7 days a week

Get the SuperLife Phone App, from the App Store or Google Play, to see your membership details at the touch of a button.

Register for online access and see your:

- Savings balances
- Contributions into your account
- Returns by fund– choose the period
- Insurance cover
- Past statements
- All payments from your account

and make changes online

- Change your investment strategy
- Update your personal details
- Update your PIR tax rate
- Update your beneficiaries



SuperLife KiwiSaver scheme

Annual report 31 March 2016

We are pleased to present the Annual Report for the SuperLife KiwiSaver scheme (“SuperLife”).

The 2015/2016 year was a successful year, with the membership increasing, assets increasing and the range of choice provided to members being expanded.

We have also increased the independence between governance and management. As part of this, and since the end of the year, two independent directors (Guy Elliffe and John Williams), have been added to the board of SuperLife Limited. Profiles of Guy and John are in the SuperLife investment statement on the website.

Passive management

Taking a long term view and having explainable performance is at the core of the SuperLife philosophy. In many cases this leads us to passive management. Internationally, investment in passive funds has grown exponentially and the NZX development of the exchange traded fund market (“ETFs”) in New Zealand through Smartshares, brings to SuperLife members the benefits of this global trend. An ETF is a fund that lets an investor invest in a portfolio of investments, by buying a single share through a stock exchange and not having to buy each of the investments individually. Over the last year the number of ETFs available through SuperLife increased to 23. These, like the other SuperLife options, can be combined as a member chooses, to build a portfolio.

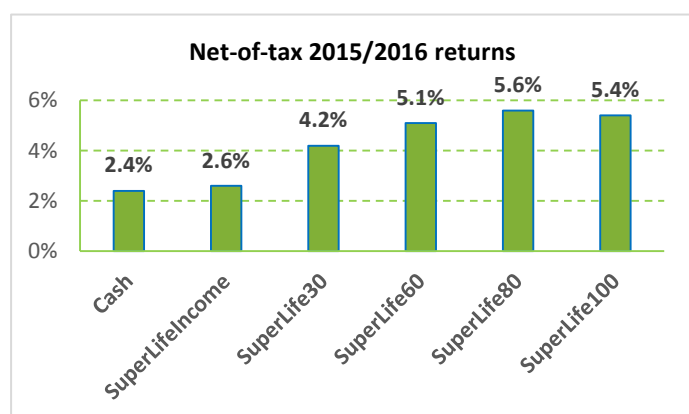
Investment choice and flexibility

Whilst there are more options and greater flexibility to let you customise your investment strategy, we maintain a selection of standard “tick-the-box” options to make the investment decision easy. These simpler options let you focus on setting the level of risk you are comfortable with (i.e. how much you have invested in shares and property, which are more volatile and lead to periods of negative returns) and have the investment strategy managed automatically. These fund choices include SuperLife³⁰, SuperLife⁶⁰, and SuperLife⁸⁰, together with Cash, SuperLife^{Income} and SuperLife¹⁰⁰ (the number indicates the percentage of assets invested in shares and property with the balance in cash and bonds).

Value

A passive investment philosophy also means investment management costs can be kept low. When investing for the long term, lower fees means significantly more of the returns is available to be paid to the investor.

Read this annual report for more details and if you have any questions, phone us on 0800 27 87 37.



SuperLife is a registered KiwiSaver scheme (KSS 10022). This report provides SuperLife's summary financial statements for the year ended 31 March 2016. The report also includes the required legislative disclosure information and should be read in conjunction with the quarterly and annual disclosure reports and commentaries published throughout the year and available on our website www.superlife.co.nz.

Management and governance

Manager

We (SuperLife Limited) are the Manager of SuperLife. We are part of NZX Limited.

Trustee

The Trustee of SuperLife is Public Trust. The Trustee supervises us and has the responsibility for the custody of SuperLife's assets. The Board members of Public Trust at 31 March 2016 were: Sarah Mary Roberts, Fiona Oliver, Dilkhush (Dinu) Harry, Diana Puketapu, Huei Min (Lyn) Lim, and Simon Craddock and John Duncan, who were both appointed in November 2015.

Susan McCormack and David Tapsell resigned as Board members on during the year. There were no other changes to the Trustee's directors.

Identity and address verification requirements

Since 1 July 2013, we have been required to verify the identity and address of its members under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009. Details of the requirements are on the SuperLife website. This verification must be completed by us before any benefits can be paid from SuperLife to the member. We encourage members to complete the verification process as soon as convenient. For most members this can be undertaken electronically by phoning us on 0800 27 87 37 and providing us details of your driver's licence or passport.

Complaints

If you have a complaint about us, you should address your complaint in writing in the first instance to: The Manager, SuperLife Limited, PO Box 105262, Auckland City, Auckland 1143. Phone: 0800 27 87 37 or email: superlife@superlife.co.nz. We will look to resolve your complaint under our internal disputes resolution process. In the event that we cannot, you will have the right to refer your complaint to our external dispute resolution service: The Financial Dispute Resolution Service, Freepost 231075, PO Box 5730, Wellington 6145. Phone: 0508 337 337.

If you have a complaint about the Trustee, you should address your complaint in writing in the first instance to Public Trust, Level 10, 141 Willis Street, Wellington 6011. The Trustee will look to resolve your complaint under its internal disputes resolution process. In the event that it cannot, you will have the right to refer your complaint to the Trustee's external dispute resolution service: Financial Services Complaints Limited, Level 4, 101 Lambton Quay, Wellington 6145. Phone: 0800 347 257.

Need more information?

You can request a copy of the most recent financial statements, auditor's report, an estimate of your benefits, and a copy of the most recent prospectus relating to SuperLife. This information is also available online at www.superlife.co.nz/education/resources/accounts-annual-reports-legal-documents.

Enquiries about SuperLife should be directed to us: The Manager, PO Box 105262, Auckland City, Auckland 1143. Phone: 0800 27 87 37 or email: superlife@superlife.co.nz.

Investment management

The Trustee implements the investment decisions of a member by investing in the equivalent funds under the SuperLife superannuation scheme (AS/1068) (SLSS). The assets of SuperLife are an interest in SLSS and are held in the name of Public Trust through its subsidiary SuperLife Nominees Limited.

The Trustee of SLSS is SuperLife Trustee Limited and is independent of us. We also administer SLSS and SuperLife Trustee Limited has appointed us as the investment manager of SLSS. In this role, on the advice of the investment consultant (MCA NZ Limited), we research, select, appoint and monitor the external investment managers, brokers and underlying funds, used for the investment funds of SLSS. Details of the ultimate investment managers are available at www.superlife.co.nz.

Investment options

Members determine how their KiwiSaver Account is invested from the investment options available. They can also change how their KiwiSaver Account is invested at any time.

There are currently forty two Funds made available to new members. Thirteen of the Funds are asset type of sector options known as "Sector Funds". Six of the Funds have managed investment strategies across different sectors known as "Managed Funds" including one ethical Fund known as Ethica. Twenty three of the Funds are exchange traded funds (ETF Funds). Twenty one of the ETF Funds were added to the investment options over the last year. Of the thirteen Sector Funds, three Funds are managed from a UK pound perspective.

There are also two standard mixes of the Funds that combine the other Funds to create a range of standard risk/return options.

Full details of our investment options are in our Investment Statement and available on our website.

Investment returns 12 months to 31 March 2016

(after tax (at the 28% PIR rate) & after investment management and asset related fees)

Sector Funds	%	Funds/mixes	%
Cash	2.4	SuperLife ^{Income}	2.6
NZ bonds	4.6	SuperLife ³⁰	4.2
Overseas bonds	1.9	SuperLife ⁶⁰	5.1
Overseas non-govt bonds	0.2	SuperLife ⁸⁰	5.6
Property	12.5	SuperLife ¹⁰⁰	5.4
NZ shares	19.3	Ethica	11.2
Australian shares	5.1	AIM ³⁰	3.9
Overseas shares currency hedged	-2.1	AIM ⁶⁰	4.7
Overseas shares (unhedged)	5.4	AIM ⁸⁰	5.2
Emerging markets	-2.2	AIM ^{First Home}	2.4
Gemino	2.2	the D fund	3.3
UK Cash	4.7	smartConservative	4.5
UK Income	6.3	smartBalanced	7.8
UK Shares/property	3.2	smartGrowth	11.4
Exchange Traded Funds (ETFs)			
*NZ Cash ETF	1.5	#Aust Resources ETF	-15.0
*NZ Bond ETF	1.6	Aust MidCap ETF	9.4
*Global Bond ETF	1.5	#Total World ETF	-8.7
#NZ Dividend ETF	15.6	#US S&P 500 ETF	-5.0
NZ 50 Portfolio ETF	12.5	#Europe ETF	-13.1
#NZ Top 10 ETF	16.2	#Asia Pacific ETF	-8.5
#NZ MidCap ETF	17.2	#US Growth ETF	-8.2
*NZ Property ETF	7.3	#US Value ETF	-2.4
#Aust Top 20 Leaders ETF	-7.7	#US MidCap ETF	-10.4
#Aust Dividend ETF	-13.2	#US Small ETF	-12.0
#Aust Financials ETF	-8.2	#Emerging Markets ETF	-11.6
#Aust Property ETF	8.5		

* Returns are since Fund commenced 12 November 2015

Returns are since Fund commenced 21 September 2015.

The investment performance has been calculated based on the return achieved on a single investment made at the start of the year. The returns are after-tax (at 28%) and after investment and asset related fees.

The returns of the AIM^{Age Steps} investment option vary by age. They are the returns of the individual funds that make up the investment strategy for the age.

Note, the Gemino, Aim³⁰, Aim⁶⁰, AIM⁸⁰, the D fund, smartConservative, smartBalanced and smartGrowth options are not available to members who joined SuperLife after May 2016.

Details of the returns are updated on the website throughout the year.

SuperLife KiwiSaver scheme

Membership statistics

Membership

Contributing members at 1 April 2015	15,851
+ new contributory members	4,356
- less total temporary and permanent exits	(3,175)
+ members on section 104 contributions holidays	901
+ other non-contributing members	<u>9,306</u>
Total members at 31 March 2016	27,239

	Contributory members	Non-contributory members		Total
		On contributions holidays	Others	
Members at start of year	15,851	894	9,197	25,942
New members	1,128	-	-	1,128
Transfers in	1,989	-	-	1,989
Stopping contributions	(1,355)	119	1,236	-
Starting contributions	1,239	(112)	(1,127)	-
Exits	(334)	-	-	(334)
Transfers out	<u>(1,486)</u>	-	-	<u>(1,486)</u>
Members at end of year	17,032	901	9,306	27,239

Contributions and members' accumulations

	\$	No. of members
Member contributions	40,451,946	17,418
Employer contributions	22,228,586	17,059
Crown payments	7,777,016	20,861
Transfers from other providers	52,182,893	2,523
Transfers from Australian superannuation schemes	1,136,219	46
Member accumulations	517,903,713	27,239

Fees

	\$
Trustee (direct)	133,133
Manager/administration manager/promoter administration fees direct	2,192,328
Investment managers (indirect - deducted from investment returns)	231,674

Permitted withdrawals

	\$	No. of members
Retirement	8,855,065	407
Death	658,082	25
Significant financial hardship	490,933	96
Serious illness	416,756	15
Mortgage diversion	21,389	16
First home withdrawal	5,662,834	268
Permanent emigration	280,986	25
Transfers to other KiwiSaver providers	16,788,877	1,483
Transfers to Australian superannuation schemes	-	-
Payments – other enactments	18,133	1

SuperLife KiwiSaver scheme

Regulatory certificates and statements

SuperLife Limited, as the Manager of the SuperLife KiwiSaver scheme, certifies:

- No amendments have been made to the trust deed during the year.
- Contributions, including contributions paid via the Commissioner of Inland Revenue for a member, have been applied in respect of each member, in accordance with the trust deed and the KiwiSaver Act 2006.
- The market value of the assets of the scheme at the close of the financial year equalled or exceeded the total value of benefits that would have been payable had all members of the scheme ceased to be members at that date and had provision been made for the continued payment of all benefits being paid to members and other beneficiaries as at the close of the financial year.
- All benefits requiring to be paid in accordance with the trust deed and the KiwiSaver scheme rules have been paid.
- There was no change to the statement of investment policies or objectives.
- There was no change to the promoters, registrar, custodians or auditor for SuperLife.
- The most recent prospectus for the SuperLife KiwiSaver scheme was registered on 18 September 2015.
- There is a scheme provider agreement between the Commissioner of Inland Revenue and SuperLife Limited in respect of the scheme which has been in force throughout the period of the annual report.
- SuperLife's financial statements, prospectus and other documents are filed on a public register at the Companies Office of the Ministry of Business, Innovation and Employment, Level 18, ASB Building, 135 Albert Street, Auckland and are available for public inspection (including at www.business.govt.nz/companies).



M J Chamberlain | SuperLife Limited | Manager SuperLife | 31 August 2016

Trustee statement:

In the 2015/2016 financial year, the Trustee is satisfied that the Manager has not breached an issuer obligation (as defined in section 4(1) of the Financial Markets Supervisors Act 2011) in a material respect.



Public Trust | 31 August 2016

SuperLife KiwiSaver scheme

Financial statements 31 March 2016

The full financial statements for the year ended 31 March 2016 comply with, and have been registered with the Registrar of Companies under, the Financial Reporting Act 1993 on 17 June 2016.

The summary financial statements have been taken from those audited financial statements. The summary financial statements that follow cannot be expected to provide as complete an understanding as provided by the full financial statements comprising changes in net assets, net assets, and cash flows of the SuperLife KiwiSaver scheme. The Manager authorised the full financial statements for issue on 8 June 2016.

Summary statements of changes in net assets for year ended 31 March		2016	2015	2014	2013	2012
		\$ooo	\$ooo	\$ooo	\$ooo	\$ooo
Membership activities						
(i)	Net gains and losses on investments	24,864	44,034	16,936	26,190	3,654
(ii)	Other investment revenues	11	2	2	9	7
(iii)	Total investment revenues	24,875	44,036	16,938	26,199	3,661
(iv)	Other revenues	0	0	0	0	0
(v)	Investment expenses	0	0	0	0	0
(vi)	Audit fees	(31)	(31)	(31)	0	0
(vii)	Management expenses	(2,366)	(2,097)	(1,879)	(1,694)	(1,441)
(viii)	Other expenses	0	0	0	0	0
(ix)	Total interest expense	0	0	0	0	0
(x)	Operating result or change in net assets before taxation	22,478	41,908	15,028	24,505	2,220
(xi)	Total provided for taxation	(1,636)	(5,337)	(5,197)	(2,519)	(2,244)
(xii)	Surplus/deficit arising from equity method of accounting	0	0	0	0	0
(xiii)	Investment (deficit)/ surplus after taxation	20,842	36,571	9,831	21,986	(24)
(xiv)	Contributions					
	▪ Member	40,452	37,104	32,390	25,721	24,306
	▪ Employer	22,229	21,031	18,432	13,504	16,102
	▪ Crown	7,771	8,482	7,917	7,868	15,237
	▪ Transfers from other schemes	53,319	12,038	8,116	5,550	7,227
(xv)	Benefits paid to members and transfers out					
	▪ Transfers to other schemes	(16,789)	(13,253)	(8,837)	(7,261)	(4,745)
	▪ Permitted withdrawals	(16,404)	(10,590)	(10,585)	(10,895)	(2,041)
(xvi)	Change in net assets	111,420	91,383	57,264	56,473	56,062
(xvii)	Allocation to members accounts	111,420	91,383	57,264	56,473	56,062
(xviii)	Total members accumulations at the beginning of the period	406,484	315,101	257,837	201,364	145,302
(xix)	Transfers to reserves	0	0	0	0	0
(xx)	Other distributions	0	0	0	0	0
(xxi)	Total members accumulations at the end of the period	517,904	406,484	315,101	257,837	201,364

Summary statements of net assets as at 31 March		2016	2015	2014	2013	2012
		\$000	\$000	\$000	\$000	\$000
(i)	Investments	517,931	410,863	319,215	259,366	202,897
(ii)	Current assets	270	329	473	516	260
(iii)	Total assets	518,201	411,192	319,688	259,882	203,157
(iv)	Total tangible assets	518,201	411,192	319,688	259,882	203,157
(v)	Current liabilities	(297)	(4,708)	(4,587)	(2,045)	(1,793)
(iv)	Net assets available to pay benefits	517,904	406,484	315,101	257,837	201,364

Summary statements cash flows for the year ended 31 March		2016	2015	2014	2013	2012
		\$000	\$000	\$000	\$000	\$000
(i)	Net cash flow from members' activities	0	0	(515)	255	36
(ii)	Net cash flow from investing activities	0	0	0	0	0
(iii)	Net cash flow	0	0	(515)	255	36

Summary from audited and not qualified financial statements

The amounts that appear in the summary financial statements have been taken from audited financial statements for each of the accounting years ending 31 March 2012, 2013, 2014, 2015 and 2016.

The audit report by William Buck (NZ) (previously known as O'Halloran HMT) of 31 May 2012 and the reports by PricewaterhouseCoopers of 5 July 2013, 13 June 2014, 4 June 2015, and 8 June 2016, from which the amounts that appear in the summary financial statements have been taken, were not qualified and none of the audit reports referred to any fundamental uncertainty.

Directors' responsibility for the summary financial statements

The directors of SuperLife Limited are responsible for the preparation of the summary financial statements in accordance with clause 7 of Schedule 5A of the Securities Regulations 2009 as required to be presented in the annual report pursuant to clause 4(3)(b)(ii) of Schedule 1A of the KiwiSaver Regulations 2006.

Directory

Trustee:	Public Trust The solicitor to the Trustee is DLA Piper	Promoter:	SuperLife Limited
Custodian:	SuperLife Nominees Limited	Directors:	Michael Chamberlain, Guy Elliffe, Owen Nash, John Williams
Auditor:	PricewaterhouseCoopers (PwC)	Manager:	SuperLife Limited
Investment Consultant:	MCA NZ Limited	Registrar:	SuperLife Limited
		Investment Manager:	SuperLife Trustee Limited, who appointed SuperLife Limited as Investment manager for SLSS
		Administrator:	SuperLife Limited



Report of the Independent Auditor on the Summary Financial Statements

to the Directors of the Manager of SuperLife KiwiSaver scheme

The accompanying summary financial statements on pages 8 and 9 which comprise the summary statements of net assets as at 31 March 2012, 2013, 2014, 2015, and 2016, the summary statements of changes in net assets, and the summary statements of cash flows for the years then ended, and related notes, are derived from the audited financial statements of SuperLife KiwiSaver scheme (the "Scheme") for the years ended 31 March 2012, 2013, 2014, 2015, and 2016.

The summary financial statements of the Scheme do not contain all the disclosures required for full financial statements under generally accepted accounting practice in New Zealand. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of the Scheme.

Our audit of the financial statements for the year ended 31 March 2016 was completed on 8 June 2016 and our unmodified opinion was issued on that date. We have not undertaken any additional audit procedures in relation to those financial statements from the date of the completion of our audit and those financial statements and the summary financial statements do not reflect the effects of events that occurred subsequent to our report on those financial statements.

This report is made solely to the Directors of the Manager. Our work has been undertaken so that we might state those matters we are required to state to the Manager in a report from the auditor and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Manager, for this report. In addition, we take no responsibility for, nor do we report on, any part of the annual report in which these summary financial statements are contained not specifically mentioned in this report.

Manager's Responsibility for the Summary Financial Statements

The Manager is responsible for the preparation and presentation of summary financial statements in accordance with clause 7 of Schedule 5A of the Securities Regulations 2009 as required to be presented in the annual report pursuant to clause 4(3)(b)(ii) of Schedule 1A of the KiwiSaver Regulations 2006.

Auditor's Responsibility

Our responsibility is to provide a report on the summary financial statements of the Scheme, stating whether the amounts stated in the summary financial statements of the Scheme for the years ended 31 March 2012, 2013, 2014, 2015, and 2016, in accordance with clause 4(3)(b)(ii) of Schedule 1A of the KiwiSaver Regulations 2006 have been correctly taken from the audited financial statements of the Scheme, in all material respects.

We are independent of the Scheme. Other than in our capacity as auditor and providers of related assurance services, we have no relationship with, or interests in, the Scheme.

Report on the Summary Financial Statements

The summary financial statements of the Scheme for the years ended 31 March 2012, 2013, 2014, 2015, and 2016 on pages 8 and 9 as required by clause 4(3)(b)(ii) of Schedule 1A of the KiwiSaver Regulations 2006 have been correctly taken from the audited financial statements of the Scheme for the years then ended, in all material respects.

Restriction on Use of our Report

This report has been prepared for inclusion in the annual report. We disclaim any responsibility for reliance on this report or the amounts included in the summary financial statements, for any purpose other than that for which they were prepared.

Chartered Accountants
31 August 2016

Auckland