

# SuperLife

investment options



November 2011

0800 27 87 37

[www.SuperLife.co.nz](http://www.SuperLife.co.nz)

# Investment options

## SuperLife investment options

This explanation applies to members who join on or after 16 November 2011.

When you invest for your retirement, or for any other purpose, you must decide on your investment “strategy”. Your investment strategy is the mix of cash, bonds, property and shares that your savings are invested in, to meet your goals. **SuperLife** has a range of individual sector Pools that lets you choose your own investment strategy and a range of standard investment strategy options.

### Individual Pools

**SuperLife** has a range of individual sector “Pools” that cover the major investment sectors - cash, bonds, property and shares. You can choose any combination of these.

### Discretionary Pools

**SuperLife** also offers the “**Managed<sup>30</sup>**” and “**Managed<sup>60</sup>**” Pools which invest in the individual sector Investment Pools. The investment strategy is managed with regard to a defined benchmark. **SuperLife** periodically sets the strategy for the Pool, depending on its view of the current investment markets.

**Ethica** is a similar strategy to **Managed<sup>60</sup>**, but designed for someone who wants “socially responsible” investments in the underlying portfolio.

### Standard Mixes

There are also several standard “Mixes” of the Pools (i.e. **AIM<sup>30</sup>**, **AIM<sup>60</sup>**, **AIM<sup>80</sup>**) designed for investors with standard goals and risk profiles. The number (e.g. “60”) tells you what proportion, out of 100, of shares and property the Mix has. The balance is invested in cash and bonds. **AIM<sup>Age Steps</sup>** automatically shifts your investment strategy from 100% shares/property under age 19, to 50% shares/property as you approach age 65. This is normally the default option for SuperLife’s KiwiSaver members.

### Standard variable Mixes

While the standard mixes are designed for a specific risk profile of someone saving for their retirement, **SuperLife** also offers the **AIM<sup>First Home</sup>** option, designed for someone looking to buy their first home in the next 3 to 5 years and saving for a deposit. **SuperLife** varies this strategy depending on its view of the current investment markets. The **AIM<sup>myFutureFund</sup>** option is similar to **AIM<sup>First Home</sup>**.

The D fund is based on the government defined default strategy of the KiwiSaver default providers.

### Your decision

The investment strategy you choose is up to you. There is no single answer that is right for everyone. You should seek appropriate advice from a financial adviser. The **SuperLife Investment Guide** and educational articles are on the Web site may also help.

If you want to focus on maximising your long-term average return (e.g. over 10 to 15 years or more) and protect yourself against the risks of inflation, you should think about some share investments, but maintain some cash and bonds for flexibility. In contrast, if you are concerned about the need for certainty of your return over the short-term, you should favour cash and bonds, but should still possibly have some shares.

For many members, one of the standard Mixes will be the “right” strategy. **AIM<sup>30</sup>** or **Managed<sup>30</sup>** is for someone recently retired, or close to retirement, or someone who is risk averse. **AIM<sup>60</sup>** or **Managed<sup>60</sup>** or **Ethica** are “typical” strategies for someone 12+ years away from retirement and **AIM<sup>80</sup>** (80% shares & property) is for someone who wants to maximise their long-term average return and is less concerned about short-term returns. **AIM<sup>Age Steps</sup>** automatically adjusts the investment strategy each year to reflect your changing period to retirement, while recognising that you will spend your savings over the period of your retirement. Most people saving for their eventual retirement with a timeframe of 10 or more years will typically have 55% to 65% in shares and property. As they approach retirement they will reduce the exposure to shares and property.

You choose your investment strategy when you join **SuperLife**. You can then change it at any time. To change your investment strategy, complete a “**change investment strategy**” form from the Web site or, if you are a registered Internet user, complete the change investment strategy section on the Member Internet site.

### Rebalancing

At times each year, the Trustee will rebalance your investments back to your chosen investment strategy. This happens unless you have chosen “My Mix” and you tell the Trustee not to. This way your investments are maintained consistently with the choice you have made.

#### Individual Pools

- Cash
- NZ bonds
- Overseas government bonds
- Overseas non-government bonds
- Property
- NZ shares
- Australia shares
- Overseas shares currency hedged
- Overseas shares (unhedged)
- Emerging markets
- Gemino

#### Discretionary Pools

- **Managed<sup>30</sup>**
- **Managed<sup>60</sup>**
- **Ethica**

#### Standard fixed mixes

- **AIM<sup>30</sup>**
- **AIM<sup>60</sup>**
- **AIM<sup>80</sup>**
- **AIM<sup>Age Steps</sup>**

#### Standard variable mixes

- **AIM<sup>First Home</sup>**
- **AIM<sup>myFutureFund</sup>**
- **the D fund**

## Individual Pools

### SuperLife investment options

The individual **SuperLife** investment Pools are:

#### Cash Pool

Bank deposits and other cash and short-term fixed interest investments in New Zealand, to deliver the wholesale short-term bank deposit return.

#### NZ Bonds Pool

Fixed interest investments issued by the New Zealand Government and major New Zealand organisations to deliver the return of the investment-grade bond market.

#### Overseas Government Bonds Pool

Investments in passive global bond trusts that invest in fixed interest investments of governments around the world. The foreign currency exposures are hedged to the NZ dollar.

#### Overseas Non-government Bonds Pool

Investments in passive global bond trusts that invest in fixed interest investments of large, investment-grade bonds around the world together with government bonds for liquidity. The foreign currency exposures are hedged to the NZ dollar.

#### Property Pool

A combination of property investments (non-residential), including listed property-related shares and securities throughout the world, and units in unlisted property funds. There are also some cash investments for liquidity.

The foreign currency exposures for global property securities are generally hedged to the Australian dollar. The foreign currency exposures of Australian property securities and the NZ:Australian exposure of the global property securities are expected to be 50% hedged on average, but will vary between being fully hedged and fully unhedged.



#### NZ Shares Pool

Diversifies the assets typically between 15 to 25 shares listed on the NZ sharemarket. The shares are held for the long-term and are broadly equally weighted.

#### Australian Shares Pool

Diversifies the assets typically between 20 to 30 shares listed on the Australian sharemarket. The shares are held for the long term and are broadly equally weighted.

The foreign currency exposure between the NZ and Australian dollar will be 50% hedged on average, but will, at times, be fully hedged or unhedged.

#### Overseas Shares Currency Hedged Pool

Investments in passive global share trusts that invest in the largest companies in the developed markets reflecting the Morgan Stanley Capital International Index (MSCI). This Pool is a passive, index fund of about 1,000 companies. The foreign currency exposures are largely hedged to the NZ dollar.

#### Overseas Shares (Unhedged) Pool

Investments in the same passive global share trusts as the Overseas Shares Currency Hedged Pool. The foreign currency exposures are unhedged.

#### Emerging Markets Pool

Shares in companies listed on the emerging market sharemarkets through a combination of listed and unlisted manager products. The exchange rate risk will normally be unhedged. At times cash will be held.

#### Gemino

Shares in listed companies throughout the world, which have the potential and associated risks, to double in value on a 1 to 3 year time horizon. It will have a concentrated portfolio and focus on smaller companies that have the potential to grow. At times cash will be held. The shares are held by the Trustee through SuperLife Trustee Nominees Limited.

Combine the individual Investment Pools to make your own Mix, or choose one of the Standard Mixes.

Change your Mix or investment strategy whenever you wish, to meet your changing needs.

For help in determining your investment strategy, refer to the SuperLife Investment Guide and get independent investment advice as appropriate, from a suitably experienced authorised financial advisor (AFA). SuperLife does not provide personalised financial advice/planning services.

The SuperLife website has a range of articles on investment topics to help you understand the markets and make investment decisions.

Where SuperLife makes discretionary decisions, the decisions are made by SuperLife Investments Limited, the trustee of SuperLife Investments and Ethica. SuperLife Investments and Ethica are the vehicles that SuperLife implements its investments through.

Manage your KiwiSaver and superannuation savings as one through SuperLife.

0800 27 87 37

## SuperLife investment options



The multi sector **SuperLife** strategies and Mixes are:

## Standard Mixes

This explanation applies to members who join on or after 16 November 2011.

Individual Investment Pools	Standard Mixes			AIMAge Steps (sample ages)					
	AIM <sup>30</sup>	AIM <sup>60</sup>	AIM <sup>80</sup>	30	40	50	55	60	65
	%	%	%	%	%	%	%	%	%
Cash	10	5.0	5.0	0	0	0.00	5.0	12.50	20.0
NZ bonds	30	17.5	15.0	10	10	10.00	10.0	12.50	15.0
OS govt. bonds	10	7.5	0.0	0	0	5.00	10.0	10.00	10.0
OS non-govt. bonds	20	10.0	0.0	10	10	10.00	10.0	7.50	5.0
Property	5	10.0	12.5	14	14	13.25	12.5	10.00	7.5
NZ shares	5	7.5	10.0	12	12	11.50	10.0	10.00	10.0
Australian shares	5	12.5	15.0	15	15	13.00	10.0	10.00	10.0
OS shares currency hedged	5	10.0	12.5	12	12	11.50	10.0	8.75	7.5
OS shares unhedged	5	10.0	12.5	12	12	11.50	10.0	8.75	7.5
Emerging markets	5	10.0	17.5	15	15	14.25	12.5	10.00	7.5
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

- If you choose one of the standard Mixes, your new savings are invested in the individual investment Pools in the proportions shown.
- If you select **AIMAge steps**, your strategy varies by your age. The **AIMAge steps** mixes are at sample ages. Full details are on the web site.

**AIM<sup>30</sup>**

Designed for someone recently retired or close to retirement, or for someone who is risk averse but wants an exposure to shares/property

**AIM<sup>60</sup>**

Designed for someone 12 years\* away from retirement.

**AIM<sup>80</sup>**

Designed for someone who wants to maximise the long-term return and who accepts the associated higher volatility in returns.

**AIMAge Steps**

Designed for someone who wants the investment strategy to be shifted automatically from 100% shares/property under age 19 to 50% shares/property leading up to age 65.

**Managed<sup>30</sup> Pool**

Designed for someone who is risk averse but wants a low but managed exposure to shares and property

**Managed<sup>60</sup> Pool**

Designed for someone 10 years + away from retirement and wants a managed exposure to shares and property

**AIM<sup>First home</sup>**

Designed for someone saving for a deposit for a house and likely to buy the house in the next 3 to 5 years.

## Discretionary Mixes

For each discretionary mix, SuperLife sets the strategy from time to time based on its view of market and economic conditions. SuperLife has the discretion to vary the Mix around the benchmark generally within the ranges.

### Managed<sup>30</sup> & Managed<sup>60</sup> Pools

These options invest in the standard individual Pools with regard to a benchmark and typical range.

Managed <sup>30</sup>	Benchmark	Range
	%	%
Cash	5.0%	0-70%
NZ bonds	32.5%	0-50%
Overseas govt bonds	10.0%	0-30%
Overseas non-govt bonds	22.5%	0-50%
Property	5.0%	0-10%
Australasian shares	12.5%	0-30%
Overseas shares*	7.5%	0-20%
Emerging markets	5.0%	0-10%

Managed <sup>60</sup>	Benchmark	Range
	%	%
Cash	5.0%	0-50%
NZ bonds	17.5%	0-50%
Overseas govt bonds	7.5%	0-30%
Overseas non-govt bonds	10.0%	0-30%
Property	10.0%	0-35%
Australasian shares	12.5%	0-35%
Overseas shares*	27.5%	0-50%
Emerging markets	10.0%	0-20%

\*On average, over the long-term, half of the risks associated with foreign currency exposures will be hedged. The actual level of hedging will vary between 0% and 100% at any point in time.

### Ethica

Ethica's assets are managed against a benchmark by SuperLife within the ranges of:

	Benchmark	Range
	%	%
Cash	5%	0-50%
Bonds	35%	0-60%
Property	10%	0-35%
Shares	50%	0-70%

### AIM<sup>First home</sup>

AIM<sup>First home</sup> invests in the standard investment Pools with regard to the benchmark strategy.

	Benchmark	Range
	%	%
Cash/bonds	100%	65-100%
Shares/property	0%	0-35%

### AIM<sup>myFutureFund</sup>

AIM<sup>myFutureFund</sup> has the same strategy guidelines as AIM<sup>First home</sup>.

### The D fund

The D fund is equivalent to the default option of the default KiwiSaver providers. It will invest in the standard investment Pools.

	Benchmark	Range
	%	%
Cash/bonds	80%	75% to 85%
Property/shares	20%	15% to 25%

**SuperLife Limited**  
PO Box 8811  
Symonds Street  
Auckland 1150

**0800 27 87 37**

info@SuperLife.co.nz

www.SuperLife.co.nz

#### The legal stuff

This is not an investment statement for the purpose of the Securities Act 1978. An investment statement and a disclosure statement are available from SuperLife free of charge.