



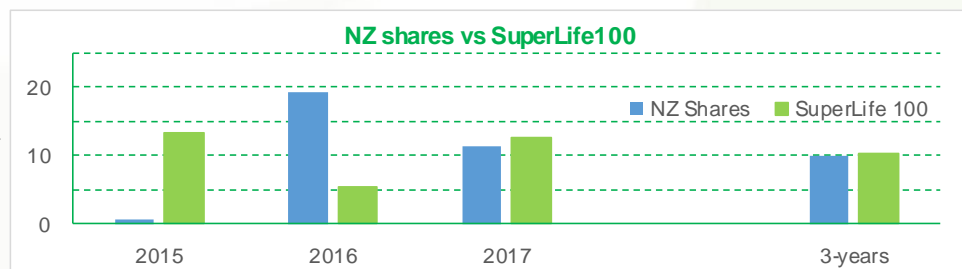
Investment returns

The quarterly investment news includes returns for an investor in the SuperLife workplace savings scheme (with no contribution cash flows). For the SuperLife KiwiSaver, Invest and UK pension transfer schemes, and for members with contribution cash flows, the returns will vary slightly.

The returns to 31 March 2017 highlight the importance of not making decisions on the basis of performance, and in particular performance over the short term, and also having diversification. This is illustrated by looking at the returns for the Property Fund and the NZ Shares Fund. Over the last three years, the Property Fund has, on average, performed slightly better than the NZ Shares Fund (12.4% p.a. versus 10.1% p.a. after tax, costs and fees), but over the last year, the NZ Shares Fund significantly outperformed the Property Fund (11.3% versus 1.5%).

When investing, unless you have the time, skill and passion to monitor the markets closely, and are willing to make changes away from sectors that are performing well, to sectors that have not performed as well, we think that it is best to be diversified and have some property, some NZ shares, some Australian shares and some overseas shares.

Diversification may not give you the best return short term, but normally provides more consistent returns over time. The graph to the right shows the year by year return of the NZ Shares Fund relative to the SuperLife 100 Fund. The SuperLife 100 Fund invests in a combination of property and shares, diversified between NZ, Australia and the rest of the world. Both had similar average three-year returns at just over 10%.



SuperLife workplace savings scheme Returns to 31 March 2017 (after tax, costs and fees)		
	Past 3 years	Past 1 year
Cash	2.5% p.a.	2.0%
SuperLife ³⁰	6.2% p.a.	6.1%
Ethica	9.7% p.a.	5.0%
SuperLife ⁶⁰	8.1% p.a.	9.2%
Property	12.4% p.a.	1.5%
NZ Shares	10.1% p.a.	11.3%

2017 Investment seminar series

Investing successfully – back to basics

The 2017 investment seminar series kicks off on 30 April in Auckland. During May and June, seminars are being held in Dunedin, Invercargill, Whangarei, Hamilton, Rotorua, Tokoroa, Whakatane, Tauranga, Palmerston North and Wellington. Each seminar will focus on how to achieve successful investment outcomes by having the right investment strategy and implementing it cost and tax effectively. Details are on our website. Register to attend a seminar online, or by emailing superlife@superlife.co.nz

Check your PIR (prescribed investor rate)

Each year you should check that your PIR tax rate is still right. Your PIR is the tax rate that applies to the taxable investment returns earned on your savings in a SuperLife scheme. Your PIR can be 10.5%, 17.5% or 28%. You can now check your PIR using the PIR calculator at <http://www.superlife.co.nz/education/guides-booklets/pir-tax-rate-guide>. You can change your PIR online or by contacting SuperLife.

Get up to \$521 KiwiSaver member tax credit (MTC)

Each year following the KiwiSaver year end (30 June), the government pays a subsidy of \$1 for every \$2 you have saved, up to a maximum government payment of \$521.43 for a full year. It applies to KiwiSaver members 18 years of age and over, until your KiwiSaver retirement age. A proportionate payment is made in your first and last years.

To get the maximum, you need to have saved the equivalent of \$20 a week (\$1,043 in the year). If you will not have saved \$1,043 by 30 June this year, you can pay in a lump sum to top it up, but it must be received by us before 30 June. Remember you don't have to have saved \$1,043, but you will get \$1 for each \$2 you do save, up to the \$521.43 maximum. For more details on MTC go to www.superlife.co.nz/increase-your-kiwisaver-savings-with-mtc.

Get statements online or by email

Get your statements more often, and sooner, by choosing email or online options.

To change your statements to email or to view them online, call **0800 27 87 37** or email: superlife@superlife.co.nz

Keep track with the App

Keep track of your SuperLife account and monitor your member tax credit (MTC) progress using the MySuperLife app.

Download the My SuperLife app at the **App Store** or **Google Play** and then register your phone or tablet.

New NZ Super rates

From 1 April 2017

(net-of-tax at 'M')

Married couple

⇒ \$31,216 p.a.

Single person living alone

⇒ \$20,290 p.a.

Single person (sharing)

⇒ \$18,729 p.a.

MY FUTURE STRATEGY:

If I reviewed my investment strategy (i.e. my mix of cash, bonds, property and shares) today, and was concerned mainly with performance over the next two to three years, rather than over the next three to six months, and in the context of having longer term return goals, I would be thinking about modifying my 'normal' strategy by:

- Having sufficient cash for my anticipated expenditure level I will need for the next four to five years. This reflects the view of continued above average risk in the bond and share markets. I expect that cash rates will remain low over the next year, but cash provides greater certainty and bonds, property and shares, are likely to remain more volatile than normal. This is higher cash levels than normal.
- Holding less in bonds (and therefore more cash and shares), and continuing to favour overseas bonds over New Zealand bonds, if I am saving for retirement, and at equal levels if I am in retirement.
- Having an exposure to the property sector at the neutral weight.
- Holding more shares and favouring Australasian shares over overseas shares, to benefit from the higher dividends of these markets. Within Australasia, I would maintain a bias towards Australia.
- Holding my emerging market share exposure at about 10% of my overall share exposure, if I am saving for retirement and nil if I am in retirement.
- Maintaining the currency hedge on my overseas shares to be above my neutral position.

The above strategy does not take into account an individual's personal situation.

Also, as with all investment decisions, what might be the right strategy over the medium term may not be right over the very short term. We really don't know what will happen over the short term. Check out the latest investment strategy article on the SuperLife website.

Returns after tax, costs and fees

(SuperLife workplace savings scheme, period ended 31 March 2017)

Fund/Mix	Last quarter	Last 1 year (%)	Last 3 years (% p.a.)	Last 5 years (% p.a.)	Last 7 years (% p.a.)
NZ Cash Fund	0.5%	2.0%	2.5%	2.6%	2.7%
NZ Bonds Fund	1.7%	2.2%	4.4%	4.2%	4.6%
Overseas Bonds Fund	1.2%	3.7%	4.6%	3.3%	3.9%
Overseas Non-government Bonds	0.0%	2.9%	3.6%	3.6%	4.0%
Property Fund	5.2%	1.5%	12.4%	11.1%	10.3%
NZ Shares Fund	5.6%	11.3%	10.1%	16.6%	13.0%
Australian Shares Fund	9.1%	20.7%	11.6%	5.4%	3.5%
Overseas Shares (Currency Hedged)	5.3%	16.8%	9.7%	10.9%	9.2%
Overseas Shares Fund	4.2%	10.2%	12.2%	11.1%	7.2%
Emerging Markets Fund	11.3%	12.5%	8.5%	3.3%	
Gemino Fund	9.7%	16.8%	-2.4%	10.4%	4.5%
UK Cash Fund	0.3%	-11.0%	-1.6%	-1.3%	
UK Income Fund	1.7%	-7.3%	2.2%		
UK Shares/Property Fund	4.7%	3.3%	5.4%		
SuperLife Income Fund	1.1%	2.7%	4.0%		
SuperLife 30 Fund	2.6%	6.1%	6.2%	5.9%	
SuperLife 60 Fund	4.2%	9.2%	8.1%	8.1%	6.9%
SuperLife 80 Fund	5.0%	11.0%	9.6%		
SuperLife 100 Fund	6.4%	12.6%	10.4%		
Ethica Fund	3.6%	5.0%	9.7%	8.8%	6.9%
AIM 30	2.7%	5.5%	6.1%	5.6%	5.2%
AIM 60	4.6%	8.7%	8.3%	7.2%	6.1%
AIM 80	6.0%	10.5%	9.6%	8.1%	6.5%
AIM First Home	0.8%	2.6%	3.9%	3.8%	4.2%
The D Fund	2.3%	5.4%	5.5%	5.1%	5.0%
smartConservative	1.5%	3.1%			
smartBalanced	4.6%	7.9%			
smartGrowth	7.3%	11.4%			
NZ Cash ETF Fund	0.5%	1.9%			
NZ Bond ETF Fund	1.8%	2.2%			
Global Bond ETF Fund	1.3%	3.5%			
NZ Dividend ETF Fund	2.5%	6.0%			
NZ Top 50 ETF Fund	5.6%	7.1%			
NZ Top 10 ETF Fund	0.9%	3.0%			
NZ Mid Cap ETF Fund	8.0%	8.8%			
NZ Property ETF Fund	2.8%	-1.3%			
Australian Top 20 ETF Fund	9.6%	20.0%			
Australian Dividend ETF Fund	9.6%	16.7%			
Australian Financials ETF Fund	10.1%	25.3%			
Australian Property ETF Fund	7.7%	4.9%			
Australian Resources ETF Fund	7.0%	39.6%			
Australian Mid Cap ETF Fund	9.9%	18.1%			
Total World ETF Fund	4.5%	11.3%			
US 500 ETF Fund	2.5%	11.7%			
Europe ETF Fund	6.6%	5.3%			
Asia Pacific ETF Fund	7.6%	12.3%			
US Large Growth ETF Fund	5.7%	10.7%			
US Large Value ETF Fund	-0.4%	13.0%			
US Mid Cap ETF Fund	2.2%	11.7%			
US Small ETF Fund	-0.6%	15.4%			
Emerging Markets ETF Fund	11.9%	14.8%			

Where returns are not shown, the investment option was not available for the full period.

The current investment allocations for the managed funds are:

