

NEWS.....to 30 September 2013

3 October 2013

SuperLife = Superannuation + KiwiSaver



Investment option changes

Over the last quarter, a number of changes to the investment options available have been made. We have changed the names of Managed³⁰ and Managed⁶⁰ to SuperLife³⁰ and SuperLife⁶⁰. At the same time, we have introduced SuperLife⁸⁰, SuperLife^{Income} and SuperLife^{Growth}.

For SuperLife⁸⁰, the '80' represents the portion of the assets that will normally be invested in property and shares, with the balance invested in cash and bonds. We will vary the amount in property and shares around the 80, based on our view of the investment markets. The introduction of SuperLife⁸⁰ complements the existing SuperLife³⁰ and SuperLife⁶⁰ options.

SuperLife^{Income} and SuperLife^{Growth} have been introduced to help members implement what we call the "bucket" approach to investing. The bucket approach is explained in our booklet "Thinking about your retirement" available on our website. SuperLife^{Income} invests in the three bond sector Pools together with cash. In contrast, SuperLife^{Growth} invests in the six property and share sector Pools, together with cash.

With the introduction of the SuperLife^{Income} and SuperLife^{Growth} options, we have also simplified the way we implement the AIM^{Age Steps} option. This now invests into the Cash, SuperLife^{Income} and SuperLife^{Growth} Pools and not the underlying single sector Pools.

With the introduction of changes, you do not need to do anything. However, if you are interested to find out more, details are available on our website under "Investments" and in the investment statements.



Address and identity verification

All members now have to have provided verification of their address and identity before they can receive a benefit. This is a requirement of the new anti-money laundering legislation. The documents have to be certified as being true copies by an appropriate person. Also, in future, if you change your name (e.g. through marriage) or change your address, we need to obtain documents verifying the new name and/or new address. Go to www.SuperLife.co.nz/documents/IDverification.pdf for details of how to do this.

The law requires us to receive this information before we can pay you a benefit. Members can choose to provide it now, or at any time before a benefit is payable. We suggest that it is provided as soon as practical, to ensure that the payment of a benefit when you become entitled to one is not delayed.



Australian superannuation transfers

It is now possible to transfer your Australian superannuation to your KiwiSaver Account. There are a range of reasons that might lead you to do this. While from a financial perspective, investors will look at issues such as fees, taxes and efficiencies, most will make the decision based on whether they value convenience. It will be important for many members to have greater control over their investments. Rationalising them to their KiwiSaver scheme will therefore make sense. If convenience is less important, the decision will depend on the appropriateness of the investment strategy and of course fees and taxes.

When transferring your Australian superannuation, do not assume that it is a quick process. Our experience is that it takes time and often several months. To start the process, the first step is to complete a SuperLife Australian superannuation transfer form. Phone us for a copy or download it from our website. SuperLife does not charge for helping you transfer your Australian superannuation to your SuperLife KiwiSaver Account.



Annual reports

In August, the annual reports to 31 March 2013 for the superannuation and KiwiSaver scheme were published and sent to members. Copies are also on our website together with the full set of the audited financial statements. September saw the release of our latest prospectuses and investment statements. These are also on our website.

Returns to 30 September 2013

(after tax and fees)

	3 years	1 year
Cash	2.8% p.a.	2.7%
AIM ³⁰	4.7% p.a.	4.2%
AIM ⁶⁰	5.3% p.a.	6.8%
AIM ⁸⁰	5.6% p.a.	8.6%
SuperLife ⁶⁰	6.8% p.a.	9.1%

Watch your SuperLife savings grow

See your SuperLife details on the internet.

To register, you need to ask for a PIN number to be sent to you.

Phone 0800 27 87 37

Buying your first home

Use KiwiSaver to help save for your first home.

Call SuperLife to find out how and for an information pack.

Aussie & UK pensions

Transfer your Australian & UK pension entitlements to NZ.

For details, email: Slpensions@SuperLife.co.nz

NZ Super

Rates since 1 April 2013 (net-of-tax)

Married couple	\$ 28,594 p.a.
Single person living alone	\$ 18,586 p.a.
Single person (sharing)	\$ 17,156 p.a.

0800 27 87 37

Performance.....to 30 September 2013

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2013 investment seminars

The remaining seminars for 2013 are in Auckland, Timaru, Christchurch and Nelson, in October. Details are on our website. You can register to attend a seminar online, or by emailing us at info@SuperLife.co.nz. If you have been to one of our seminars (or even if you have not) and want to know more about investing for your retirement, our booklet "*Thinking about your retirement*" may help. It is one of the many guides available on the SuperLife website. Call us on 0800 27 87 37 if you want a copy.



After-tax returns to 30 September 2013 - SuperLife superannuation

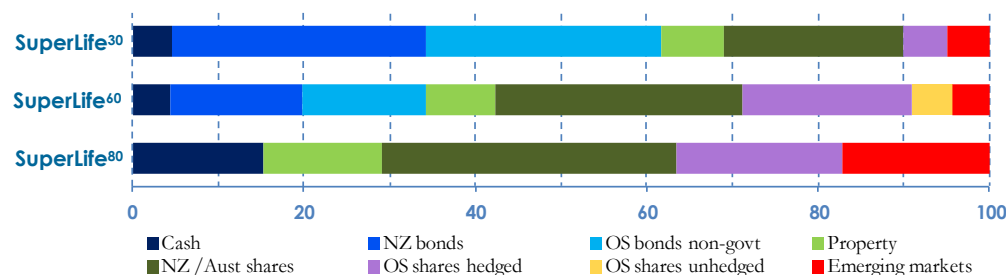
Pool	This quarter	Last 1 year (%)	Last 3 year (% p.a.)	Last 5 year (% p.a.)	Last 7 year (% p.a.)
Cash	0.7%	2.7%	2.8%	3.0%	3.7%
NZ bonds	0.2%	2.4%	4.6%	5.4%	5.1%
Overseas government bonds	-0.5%	-1.5%	2.3%	4.9%	5.4%
Overseas non-government bonds	0.4%	-0.1%	3.6%	6.0%	5.7%
Property	-1.8%	7.4%	9.8%	4.1%	-0.1%
NZ shares	10.0%	19.2%	14.7%	11.6%	6.3%
Australia shares	4.0%	3.6%	1.2%	3.0%	3.7%
Overseas shares currency hedged	6.4%	19.9%	11.1%	6.9%	3.1%
Overseas shares (unhedged)	2.7%	18.4%	6.2%	1.5%	-1.3%
Gemino	4.2%	2.2%	-7.0%	-2.7%	
Ethica	2.0%	8.3%	6.0%	5.4%	
Emerging markets	2.3%	-0.2%			
UK Cash	-1.1%	0.4%			
UK Growth	-0.5%	-1.4%			
UK Income	-0.5%	1.8%			
SuperLife ^{Income}	0.9%				
SuperLife ³⁰	1.9%	4.2%	4.5%		
SuperLife ⁶⁰	3.5%	9.1%	6.8%	5.9%	3.9%
SuperLife ⁸⁰	0.1%				
SuperLife ^{Growth}	0.0%				
AIM ³⁰	1.3%	4.2%	4.7%	5.1%	4.1%
AIM ⁶⁰	2.3%	6.8%	5.3%	4.9%	3.0%
AIM ⁸⁰	3.0%	8.6%	5.6%	4.3%	1.7%
AIM ^{First Home}	0.3%	1.2%	4.0%	4.8%	
the D fund	1.4%	3.3%	4.6%	5.4%	

All returns quoted are after-tax at the top tax rate and after investment and asset related fees. An individual's returns may vary from the above due to cash flows and different tax rates. **Past performance does not indicate likely future performance.**



Investment strategy - SuperLife³⁰, SuperLife⁶⁰ & SuperLife⁸⁰ Pools

The current overall allocations for SuperLife³⁰, SuperLife⁶⁰ & SuperLife⁸⁰ Pools are:



"My future strategy"

If I reviewed my investment strategy (i.e. mix of cash, bonds, property and shares) today and was concerned mainly with performance over the next 2 - 3 years in the context of having longer term return goals, I would be thinking about modifying my "normal" strategy by:

- keeping my cash to the lowest level I felt comfortable with, given the importance of my savings and the uncertainty of the markets. I expect cash rates to remain low at least for the rest of this year.
- holding less in bonds and favouring corporate over government bonds. In 2014, we expect to start reducing our bonds further as the risk of interest rate rises builds.
- maintaining the exposure to the property sector at a neutral weight.
- favouring Australasian shares over overseas shares, to benefit from the higher dividends of these markets (and the better economic position of Australasia). Within Australasia, I would continue to build a bias towards Australia.
- building my emerging market share exposure to about 20% of my overall share exposure.
- maintaining the currency hedge on my overseas shares 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. Also, check out the latest investment strategy article on the website.

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