

Investment returns || NZX || 2015 investment seminars || Insurance || Individual returns || Saving for a child's education - myFutureFund || Thinking about your retirement || NZ Super rates

## INVESTMENT RETURNS

The investment returns for each of the investment options are shown over the page. Over the last quarter all options were positive except Australian shares, emerging market shares and Gemino. The same was not true for each of the months within the quarter. Each of the share and property sectors had at least one negative month in the quarter, highlighting the volatility of these sectors.

Over the quarter, the level of risk and thus volatility, appeared to increase. This was seen by the uncertainty caused by the fall in oil prices and the movements (fall) in the Euro. It is therefore an environment where there is greater risk of negative returns over the short-term. This makes it important to focus on the longer term when making investment strategy decisions and not react to market headlines.

Since 1 October 2014, the dominant headline investment issue has been the lull in the oil price and more recently the abandonment by the Swiss central bank of the peg it had for the Swiss Franc to the Euro. The removal of the peg saw the Euro fall, the Swiss Franc rise and the share prices of Swiss companies that export fall dramatically. This reinforces the need for investors to look beyond the immediate view and adopt a long term strategy. Details of the current trends in the NZ exchange rates are on the SuperLife website.

### Returns to 31 December 2014 (after tax and fees)

	3 years	1 year
Cash	2.8% p.a.	2.8%
SuperLife <sup>30</sup>	6.4% p.a.	6.7%
Ethica	8.8% p.a.	8.6%
SuperLife <sup>60</sup>	9.5% p.a.	7.5%
NZ Shares	20.3% p.a.	3.3%

## NZX

As announced in December, ownership of SuperLife Limited, the manager of SuperLife, has changed from Aventine Group to NZX Limited. The completion date was 16 January 2015. From SuperLife's perspective it is business as usual but with the benefit of the strength of NZX. In time this will let us increase the investment options and further enhance our services.

## 2015 INVESTMENT SEMINARS

The seminars for 2015 will be in May and June and held in Auckland, Wellington, Palmerston North, Hamilton, Dunedin, Invercargill, Rotorua, Tokoroa, Whakatane, Tauranga, Timaru, Christchurch and Nelson. Details are on our website. You can register to attend a seminar online, or by emailing us at [info@SuperLife.co.nz](mailto:info@SuperLife.co.nz).

### The keys to investing successfully

with Michael Chamberlain  
Principal, MCA NZ Limited



## DID YOU KNOW...

### Insurance premiums

If you have insurance under SuperLife, each year in March we recalculate your premium based on your age at 1 April. It may therefore be a good idea to review the level of your insurances to make sure they are at the right level for your financial needs. Under SuperLife, it is surprising how little it costs for insurance, but if you do not need insurance, any premium is too much.

### Individual sector returns

In December 2014 we enhanced the analytics on the internet member site. Through the member site you can now see your returns not only by our account, but also by the different investment Funds you have invested in. If you have not registered for internet access, phone SuperLife and ask for your PIN.

### Saving for a child's education - myFutureFund

myFutureFund, under SuperLife, lets you save for a child's future education costs. If the child is also in KiwiSaver with SuperLife, the \$33 administration fee in myFutureFund is waived. This gives you access to the full range of SuperLife's investment options and you can save as little or as much as suits your circumstances. myFutureFund is often a good adoption for aunts, uncles, grandparents and parents to save as an alternative to traditional presents.

### Thinking about your retirement

SuperLife publishes on the website a range of guides to help you work out how much to save for your retirement, how to invest your savings and then how to manage your savings in retirement. We also publish articles on wills, power of attorneys and insurance. If you do not have access to the internet, phone 0800 27 87 37 for a copy.

### NZ Super rates since 1 April 2014 (net-of-tax at 'M')

Married couple  
▶ **\$29,355 p.a.**

Single person living alone  
▶ **\$19,081 p.a.**

Single person (sharing)  
▶ **\$17,613 p.a.**

# PERFORMANCE

## to 31 December 2014

### 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:

- Having cash at least at the level appropriate for my expenditure over the next 3 years, from my invested funds, given the importance of my savings and the uncertainty of the markets. I expect that cash rates, will remain low the next year.
- Holding less in bonds (and therefore more cash and shares), and favouring corporate over government bonds.
- Maintaining exposure to the property sector slightly above a 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 continue to build a bias towards Australia.
- Setting my emerging market share exposure to be about 15% of my overall share exposure.
- Increasing 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. Also, check out the latest investment strategy article on the website.

The above comments are from MCA, our investment consultant.

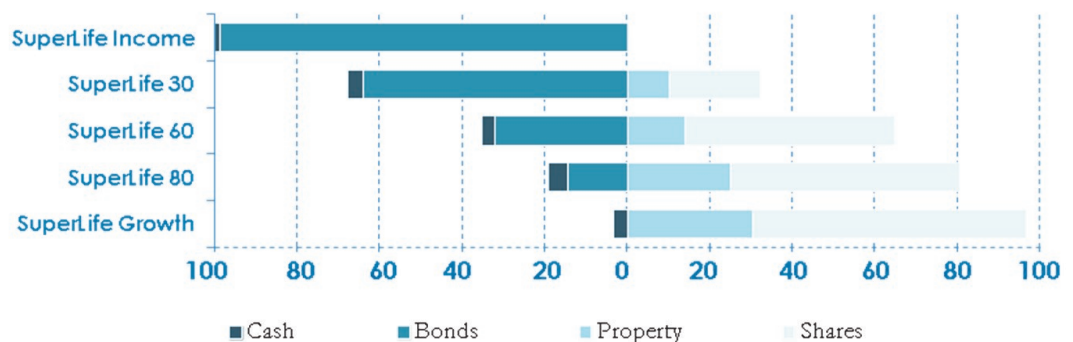
All returns quoted are after-tax at the top tax rate and after investment and asset related fees. An individual's returns may vary from the returns shown due to cash flows and different PIR tax rates. Past performance does not indicate likely future performance.

### After-tax returns (SuperLife superannuation)

Pool/Mix	Last quarter	Last 1 year (%)	Last 3 years (% p.a.)	Last 5 years (% p.a.)	Last 7 years (% p.a.)
Cash	0.8%	2.8%	2.8%	2.8%	3.3%
NZ bonds	1.7%	5.6%	4.2%	5.2%	5.4%
Overseas government bonds	1.4%	7.0%	3.0%	4.4%	5.4%
Overseas non-government bonds	1.5%	7.7%	5.0%	5.1%	6.2%
Property	7.3%	21.8%	14.4%	11.4%	3.2%
NZ shares	2.2%	3.3%	20.3%	12.6%	6.4%
Australian shares	-2.3%	-0.6%	0.3%	-1.2%	-1.7%
Overseas shares currency hedged	3.2%	12.3%	16.4%	10.8%	3.9%
Overseas shares (unhedged)	2.6%	11.9%	14.5%	7.3%	1.6%
Emerging markets	-3.3%	4.7%	3.1%		
SuperLife <sup>Income</sup>	1.5%	6.3%			
SuperLife <sup>30</sup>	1.6%	6.7%	6.4%		
SuperLife <sup>60</sup>	1.9%	7.5%	9.5%	6.9%	4.7%
SuperLife <sup>80</sup>	1.6%	7.6%			
SuperLife <sup>Growth</sup>	1.5%	8.1%			
Ethica	3.0%	8.6%	8.8%	6.2%	
AIM <sup>First Home</sup>	1.6%	6.5%	4.5%	5.0%	5.1%
the D fund	1.3%	6.4%	5.8%	5.2%	4.7%
Gemino	-5.6%	-12.1%	15.5%	2.6%	-3.8%
AIM <sup>30</sup>	1.5%	6.9%	6.3%	5.4%	4.5%
AIM <sup>60</sup>	1.5%	7.7%	8.0%	5.8%	3.4%
AIM <sup>80</sup>	1.3%	7.9%	9.0%	5.9%	2.3%
UK Cash	-2.5%	-1.2%			
UK Income	-1.7%	2.8%			
UK Growth	-1.1%	3.5%			

### Investment strategy (SuperLife Funds)

The current allocations for SuperLife<sup>Income</sup>, SuperLife<sup>30</sup>, SuperLife<sup>60</sup>, SuperLife<sup>80</sup> & SuperLife<sup>Growth</sup> Funds are:



## SuperLife

To follow SuperLife on Facebook and Twitter or to sign up for the e-News, go to:

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



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