NEWS……to 30 June 2013

3 July 2013

SuperLife = Superannuation + KiwiSaver

AML - anti-money laundering

1 July 2013 saw the start of new anti-money laundering legislation. The main impact is that we have to obtain documents that verify the identity and address of each member of the SuperLife superannuation and KiwiSaver schemes. Also, the documents have to be certified as being true copies by an appropriate person. Included with this News is a pamphlet that provides details of what each member will have to do.

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 recommend that it is provided as soon as practical, to ensure that the payment of a benefit is not delayed.

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.

Australian superannuation transfers

1 July also was the day we can start processing the transfers of a member's Australian superannuation balance to the SuperLife KiwiSaver scheme. If you have an Australian superannuation balance and wish to start the process, phone us for a transfer form or download it from our website.

Investment markets

The 12 months to 31 March 2013 saw a period of resurgent interest in the world sharemarkets, which led to double digit returns for most of our equity and property sectors. By contrast, that confidence was replaced by uncertainty in the 30 June quarter. Much of the uncertainty stemmed from the US and whether they "would or would not" cut back on the latest programme of QE (quantitative easing).

As a result of this uncertainty, we saw:

- bond yields rise and therefore the value of existing bonds reduce. This leads to low and over some weeks, negative returns;
- share markets fall leading to negative returns;
- the NZ dollar weaken, except against the Australian dollar.

The overall impact was that most investors with an investment strategy with a long-term focus received negative earnings for the quarter. For example, the return of the balanced Managed^{60} option was –1.9%. The –1.9% should be put in the context of the last 12 months which returned 11.8% after tax and fees.

Negative returns over the short-term are expected from time to time and the June quarter was one such quarter. To understand how negative returns arise from bonds, see the article "***Understanding negative returns from bonds***" on our website.

KiwiSaver turns 6

KiwiSaver turned 6 on 1 July 2013. Members who joined in July 2007 will have got the initial $1,000 kick-start from the government and, if eligible, 6 years of MTCs. In total, following the payment of the July 2013 MTCs, members will have received up to $6,217 from the government.

If you are not in KiwiSaver and wish to consider joining, phone us on 0800 27 87 37 and ask for an investment statement, or visit our website.

Returns to 30 June 2013

(after tax and fees)

	3 years	1 year
Cash	2.8% p.a.	2.7%
AIM^{30}	6.0% p.a.	6.5%
AIM^{60}	7.0% p.a.	9.8%
AIM^{80}	7.4% p.a.	12.1%
Managed^{60}	8.0% p.a.	11.8%

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 June 2013

3 July 2013

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. While it may not be a best seller, it will be a good read over the colder nights of this winter!

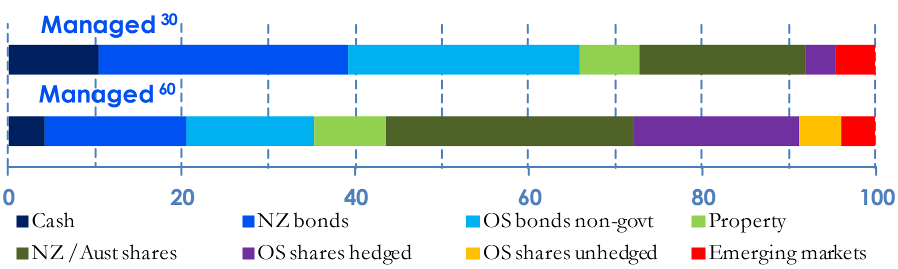
After-tax returns to 30 June 2013 - SuperLife superannuation

Pool	This quarter	Last 1 year (%)	Last 3 years (% p.a.)	Last 5 years (% p.a.)	Last 7 years (% p.a.)
Cash	0.7%	2.7%	2.8%	3.2%	3.8%
NZ bonds	0.2%	3.6%	5.1%	5.8%	5.2%
Overseas government bonds	-2.7%	0.5%	4.3%	5.5%	5.8%
Overseas non-government bonds	-2.3%	2.1%	4.8%	6.6%	6.0%
Property	-1.3%	14.6%	13.6%	3.6%	0.5%
NZ shares	-4.2%	29.9%	15.7%	10.1%	5.1%
Australian shares	-8.1%	6.0%	3.6%	-1.4%	
Overseas shares currency hedged	0.1%	21.3%	13.1%	3.0%	2.8%
Overseas shares (unhedged)	8.0%	20.8%	7.3%	0.5%	-2.1%
Gemino	-12.3%	26.5%	-0.2%	-9.1%	
Ethica	0.0%	10.8%	6.2%	5.1%	
Emerging markets	-3.7%	2.9%			
UK Cash	6.2%	0.8%			
UK Growth	3.7%				
UK Income	1.5%				
Managed^{30}	-2.2%	6.9%			
Managed^{60}	-1.9%	11.8%	8.0%	5.0%	3.4%
AIM^{30}	-1.1%	6.5%	6.0%	4.8%	4.1%
AIM^{60}	-1.4%	9.8%	7.0%	3.7%	2.8%
AIM^{80}	-1.4%	12.1%	7.4%	2.7%	1.4%
AIM$^{\text{First Home}}$	-1.0%	2.9%	4.8%	5.1%	
the D fund	-1.5%	5.5%	5.6%	5.5%	

All returns quoted are after-tax at the top tax rate and after investment 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 - Managed^{30} & Managed^{60} Pools

The current overall allocations for Managed^{30} & Managed^{60} 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, the uncertainty of the markets and when I intend to spend the money. This is because 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. Yields of investment grade corporate bonds are higher than cash rates and are locked in for a longer period.
- 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 exposure, within the share portfolio, to emerging markets to about 20% of my overall share exposure.
- maintaining the currency hedge on my overseas shares above my neutral position.
- maintaining the exposure to the property sector at a neutral weight.

The above strategy is virtually unchanged since April 2012 and 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.

SuperLife Limited
PO Box 8811
Symonds Street
Auckland 1150
0800 27 87 37
info@SuperLife.co.nz
www.SuperLife.co.nz