NEWS……to 31 March 2013

5 April 2013

SuperLife = Superannuation + KiwiSaver

$1 billion

$1 billion is an important number. In January 2013, the total savings balances of members in SuperLife reached $1 billion. Equally important, over the last ten years, we have paid out just over $1 billion of retirement savings to our members. Thank you for the confidence you have shown in us. Over the last ten years, we have consistently grown and are one of the few superannuation schemes that continues to grow.

2013 investment seminars start in April

The 2013 series of investment seminars throughout the country starts in April. This year, the focus is on "***improving the health of your savings & investments***" and incorporates a general investment market update. The seminars are free and you can bring a friend or a family member.

SuperLife = education + empowerment

Full details are on www.SuperLife.co.nz/seminars.

Statements

As a member you can choose to receive your statements by email and set the frequency (e.g. weekly, monthly etc.). Electronic statements are normally sent within 1 business day of the end of the period. It is a great way to stay informed. Also, all statements are stored on the website and can be accessed at any time.

Thinking about your retirement

If one of your 2013 resolutions is to get your investments and retirement savings on track, 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 coming colder nights!

KiwiSaver - minimum 3% contribution

From 1 April 2013, the minimum employee and employer contribution increased from 2% to 3% of total taxable earnings. The employer contribution is subject to ESCT tax. The 3% minimum does not apply to non-employees. Employees who have been in KiwiSaver for at least 1 year can choose at anytime to go on a contributions holiday by advising the IRD. If you are not in KiwiSaver and want to learn more, phone us and ask for an investment statement.

KiwiSaver - member tax credit

KiwiSaver's financial year runs from 1 July to 30 June year. Each year in July, the government pays a KiwiSaver subsidy of up to $521.43. It is at the rate of $1 for every $2 you save. It applies each year from age 18 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 $1,043 in the year. If you will not have saved $1,043 by 30 June this year, you can make a lump sum contribution to top it up but it must be received by us before 30 June.

Review your PIR tax rate

Each year in April, you should check that your PIR tax rate is the correct rate for the next year. PIR tax rates can be 10.5%, 17.5% or 28%. Information on how to calculate your PIR was recently sent to you and is also available on our website.

Returns to 31 March 2013

(after tax and fees)

	3 years	1 year
Cash	2.8% p.a.	2.7%
AIM30	5.3% p.a.	7.5%
AIM60	5.2% p.a.	9.2%
AIM80	4.9% p.a.	9.9%
Managed60	6.4% p.a.	11.5%

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.

UK pensions

Transfer your UK pension entitlement 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

make your life a SuperLife

Performance......to 31 March 2013

5 April 2013

Investment markets

From an investment perspective, the year ended 31 March 2013 was a year where cash returns remained low and bonds performed well, but not as well as shares and property. While there were several contributing factors to the good share market returns, it is probably better to view it as "normal" market fluctuations. With shares, you expect a combination of good and bad years as shares are for the long-term. As a rule, we do not think investors should exit shares if the market declines and should also hesitate in rushing into shares when the market has been positive. Details of the returns of each option are below.

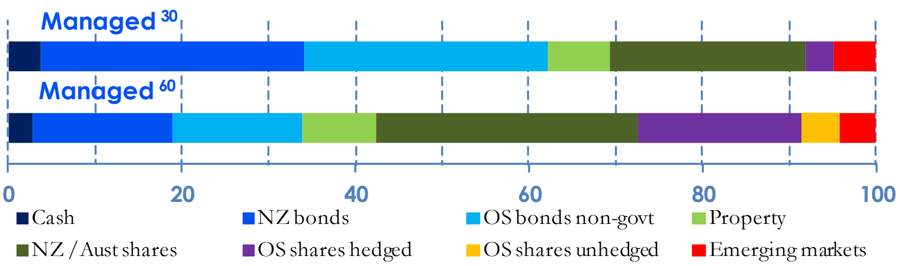
After-tax returns to 31 March 2013 - SuperLife superannuation

Pool	This quarter	Last 1 year (%)	Last 3 years (% p.a.)	Last 5 years (% p.a.)	Last 7 years (% p.a.)
Cash	0.6%	2.7%	2.8%	3.4%	3.9%
NZ bonds	0.5%	5.8%	5.8%	6.3%	5.3%
Overseas government bonds	0.6%	5.0%	5.2%	6.2%	6.3%
Overseas non-government bonds	0.4%	5.8%	5.3%	6.9%	6.4%
Property	5.4%	20.8%	12.4%	3.0%	1.2%
NZ shares	5.8%	33.8%	13.4%	8.6%	5.0%
Australian shares	1.6%	6.6%	1.3%	1.4%	
Overseas shares currency hedged	9.6%	12.9%	7.6%	3.0%	2.4%
Overseas shares (unhedged)	4.5%	6.2%	0.7%	-1.0%	-3.3%
Gemino	3.7%	27.9%	2.0%	-5.1%	
Ethica	2.9%	11.1%	5.1%	5.2%	
Emerging markets	-4.2%	-1.1%			
UK Cash	-5.9%	-5.6%			
UK Growth	-5.1%				
UK Income	0.4%				
Managed^{30}	1.5%	9.1%			
Managed^{60}	3.6%	11.5%	6.4%	5.4%	3.7%
AIM^{30}	1.5%	7.5%	5.3%	5.1%	4.3%
AIM^{60}	2.3%	9.2%	5.2%	4.0%	2.8%
AIM^{80}	2.6%	9.9%	4.9%	2.8%	1.5%
AIM$^{\text{First Home}}$	0.4%	5.6%	5.4%	5.7%	
the D fund	1.1%	7.2%	5.4%	5.7%	

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 next 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.

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