

SuperLife superannuation scheme

Annual Report – 31 March 2016



SUPERLIFE
a Member of the NZX Group

Your SuperLife 24 hours a day, 7 days a week

Get the SuperLife Phone App, from the App Store or Google Play, to see your membership details at the touch of a button.

Register for online access and see your:

- Savings balances
- Contributions into your account
- Returns by fund – choose the period
- Insurance cover
- Past statements
- All payments from your account

and make changes online

- Change your investment strategy
- Update your personal details
- Update your PIR tax rate
- Update your beneficiaries



SuperLife superannuation scheme

Annual report 31 March 2016

We are pleased to present the Annual Report for the SuperLife superannuation scheme ("SuperLife").

The 2015/2016 year was a successful year, with the membership increasing, assets increasing and the range of choice provided to members being expanded.

We have also increased the independence between governance and management. As part of this, and since the end of the year, two independent directors (Guy Elliffe and John Williams), have been added to the board of SuperLife Limited. Profiles of Guy and John are in the SuperLife investment statement on the website.

Passive management

Taking a long term view and having explainable performance is at the core of the SuperLife philosophy. In many cases this leads us to passive management. Internationally, investment in passive funds has grown exponentially and the NZX development of the exchange traded fund market ("ETFs") in New Zealand through Smartshares, brings to SuperLife members the benefits of this global trend. An ETF is a fund that lets an investor invest in a portfolio of investments by buying a single share through a stock exchange, and not having to buy each of the investments individually. Over the last year the number of ETFs available through SuperLife increased to 23. These, like the other SuperLife options, can be combined as a member chooses, to build a portfolio.

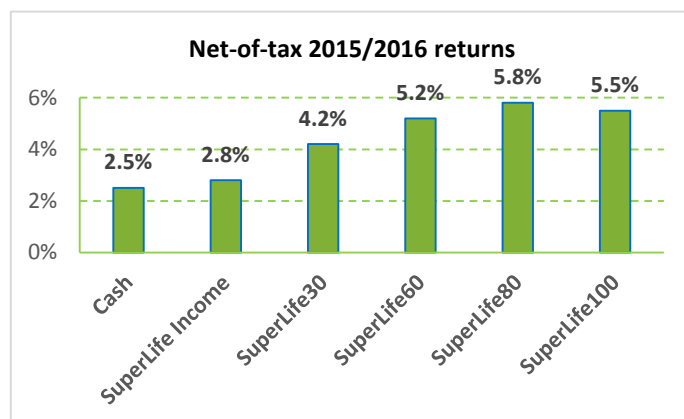
Investment choice and flexibility

Whilst there are more options and greater flexibility to let you customise your investment strategy, we maintain a selection of standard "tick-the-box" options to make the investment decision easy. These simpler options let you focus on setting the level of risk you are comfortable with (i.e. how much you have invested in shares and property, which are more volatile and lead to periods of negative returns) and have the investment strategy managed automatically. These fund choices include SuperLife³⁰, SuperLife⁶⁰, and SuperLife⁸⁰, together with Cash, SuperLife^{Income} and SuperLife¹⁰⁰ (the number indicates the percentage of assets invested in shares and property with the balance in cash and bonds).

Value

A passive investment philosophy also means investment management costs can be kept low. When investing for the long term, lower fees means significantly more of the returns is available to be paid to the investor.

Read the annual report for more details and if you have any questions, phone us on 0800 27 87 37.



SuperLife is a registered superannuation scheme (AS/1068). This report provides SuperLife’s summary financial statements for the year ended 31 March 2016. The report also includes the required legislative disclosure information and should be read in conjunction with the quarterly and annual disclosure reports and commentaries published throughout the year and available on our website www.superlife.co.nz.

Membership

The number of members continues to grow.

Members as at 1 April 2015	15,625
+ members who joined	2,814
- members who left	-1,989
Members as at 31 March 2016	16,450



Management and governance

Manager

We (SuperLife Limited) are the manager of SuperLife. We are part of NZX Limited.

Trustee

The Trustee of SuperLife is SuperLife Trustee Limited. The Trustee and its directors are independent of SuperLife Limited (the promoter and manager of SuperLife). There were no changes to the ownership, or the directors, of the Trustee over the year.

Custody

The custodian for the assets, where an external custodian has not been appointed or used by the external investment managers/brokers, is SuperLife Trustee Nominees Limited. SuperLife Trustee Nominees Limited is a subsidiary of SuperLife Trustee Limited, and is independent of SuperLife Limited.

Investments

We are also the investment manager. In this role, on the advice of the investment consultant (MCA NZ Limited), we research, select, appoint and monitor the external investment managers and brokers used for the investment funds, and report to the Trustee on the overall performance.

We implement some of the investment options by investing in the exchange traded funds (ETFs) of Smartshares Limited. Smartshares Limited, a subsidiary of NZX Limited, is related to us. The Smartshares investment management fees of the ETFs are included in our investment management fees as set out in the investment statement.

Directory

Trustee:	SuperLife Trustee Limited	Promoter:	SuperLife Limited
Directors:	Michael Littlewood, Grant Niccol, Brian Nowell	Directors:	Michael Chamberlain, Guy Elliffe, Owen Nash, John Williams
Custodian:	SuperLife Trustee Nominees Limited	Manager:	SuperLife Limited
Investment Consultant:	MCA NZ Limited	Registrar:	SuperLife Limited
Investment Manager:	SuperLife Limited	Auditor:	PricewaterhouseCoopers (PwC)
		Solicitor:	Bell Gully

Investment options

Members determine how their accounts are invested from the investment options available. They can also change how their accounts are invested at anytime.

There are currently 42 Funds made available to members. Of these Funds:

- 13 are asset type or sector options “Sector Funds”, of which 3 are managed from a UK pound perspective;
- 6 have managed investment strategies across different sectors known as “Managed Funds” including one ethical Fund known as Ethica;
- 23 are exchange traded funds (ETF Funds).

There are also two standard mixes of the Funds that combine the other Funds to create a range of standard risk/return options.

Full details of our investment options are in our Investment Statement and available on our website.

Investment returns 12 months to 31 March 2016

(after tax (at 28%) & after investment management and asset related fees)

Sector Funds	%	Funds/mixes	%
Cash	2.5	SuperLife ^{Income}	2.8
NZ bonds	4.8	SuperLife ³⁰	4.2
Overseas bonds	2.0	SuperLife ⁶⁰	5.2
Overseas non-govt bonds	0.3	SuperLife ⁸⁰	5.8
Property	12.5	SuperLife ¹⁰⁰	5.5
NZ shares	19.2	Ethica	11.4
Australian shares	5.2	AIM ³⁰	4.0
Overseas shares currency hedged	-2.0	AIM ⁶⁰	4.8
Overseas shares (unhedged)	5.6	AIM ⁸⁰	5.3
Emerging markets	-2.1	AIM ^{First Home}	2.5
Gemino	2.3	the D fund	3.4
UK Cash	4.5	smartConservative	4.6
UK Income	6.4	smartBalanced	8.0
UK Shares/property	3.2	smartGrowth	11.6
Exchange Traded Funds (ETFs)			
*NZ Cash ETF	1.4	#Aust Resources ETF	-15.7
*NZ Bond ETF	1.6	Aust MidCap ETF	9.6
*Global Bond ETF	1.5	#Total World ETF	-8.6
#NZ Dividend ETF	15.8	#US S&P 500 ETF	-4.7
NZ 50 Portfolio ETF	12.7	#Europe ETF	-11.5
#NZ Top 10 ETF	16.3	#Asia Pacific ETF	-8.4
#NZ MidCap ETF	17.3	#US Growth ETF	-8.2
*NZ Property ETF	7.3	#US Value ETF	-1.5
#Aust Top 20 Leaders ETF	-8.1	#US MidCap ETF	-10.3
#Aust Dividend ETF	-12.1	#US Small ETF	-12.0
#Aust Financials ETF	-8.5	#Emerging Markets ETF	-11.4
#Aust Property ETF	8.5		

* Returns are since Fund commenced 12 November 2015

Returns are since Fund commenced 21 September 2015.

The investment performance has been calculated based on the return achieved on a single investment made at the start of the year. The returns are after-tax (at 28%) and after investment and asset related fees.

The returns of the AIM^{Age Steps} investment option vary by age. They are the returns of the individual funds that make up the investment strategy for the age.

Note, the Gemino, Aim³⁰, Aim⁶⁰, AIM⁸⁰, the D fund, smartConservative, smartBalanced and smartGrowth options are not available to members who joined SuperLife after May 2015.

Details of the returns are updated on the website throughout the year.

SuperLife Trustee Limited, as the Trustee of SuperLife, certifies:

- No amendments have been made to the trust deed during the year.
- There was no change to the promoters, registrar, custodians or auditor for SuperLife.
- Contributions required to be made to SuperLife and all benefits required to be paid from SuperLife, in accordance with the trust deed, have been so made or paid, as appropriate.
- The market value of the assets of SuperLife at 31 March 2016, was equal to or exceeded the total value of benefits (including an allowance for expenses) that would have been payable had all members of SuperLife ceased to be members at that date.
- The most recent prospectus for SuperLife was registered on 18 September 2015.
- SuperLife's financial statements, prospectus and other documents are filed on a public register at the Companies Office of the Ministry of Business, Innovation and Employment, Level 18, ASB Building, 135 Albert Street, Auckland and are available for public inspection (including at www.business.govt.nz/companies).



G D Niccol | Chairman | SuperLife Trustee Limited | 31 August 2016

Identity and address verification requirements

Since 1 July 2013 we have been required to verify the identity and address of SuperLife's members under the Anti-money Laundering and Countering Financing of Terrorism Act 2009. Details of the requirements are on the SuperLife website. This verification must be completed by us before any benefits can be paid from SuperLife to the member. We encourage members to complete the verification process as soon as convenient. For most members this can be undertaken by phoning us on 0800 27 87 37 and providing details of your driver's licence or passport.

Complaints

If you have a complaint about us, you should address your complaint in writing in the first instance to: The Manager, SuperLife Limited, PO Box 105262, Auckland City, Auckland 1143 Phone: 0800 27 87 37 or email: superlife@superlife.co.nz. We will look to resolve your complaint under our internal disputes resolution process. In the event that we cannot, you will have the right to refer your complaint to our external dispute resolution service: The Financial Dispute Resolution Service, Freepost 231075, PO Box 5730, Wellington 6145. Phone: 0508 337 337.

Need more information?

You can request a copy of the most recent financial statements, auditor's report, an estimate of your benefits, and a copy of the most recent prospectus relating to SuperLife. This information is also available on line at www.superlife.co.nz/education/resources/accounts-annual-reports-legal-documents.

Enquiries about SuperLife should be directed to us: The Manager, PO Box 105262, Auckland City, Auckland 1143. Phone: 0800 27 87 37 or email: superlife@superlife.co.nz.

SuperLife superannuation scheme

Financial statements 31 March 2016

The full audited financial statements for the year ended 31 March 2016 comply with, and have been registered with the Registrar of Companies under, the Financial Reporting Act 1993 on 17 June 2016.

The summary financial statements have been taken from those audited financial statements. The summary financial statements that follow cannot be expected to provide as complete an understanding as provided by the full financial statements comprising changes in net assets, net assets, and cash flows of SuperLife. The Trustee authorised the full financial statements for issue on 8 June 2016.

Summary statement of changes in net assets for the year ended 31 March

	2016	2015
	\$000	\$000
Contributions, transfers and insurance proceeds	239,976	181,063
Less benefits and insurance premiums paid	(113,585)	(159,593)
Excess contributions and transfers over benefits	126,391	21,470
Investment income	67,902	139,313
Less expenses and fees	(2,702)	(4,820)
Net investment surplus before tax	65,200	134,493
Less member PIE tax paid/payable	(2,840)	(15,066)
Net investment surplus after tax	62,360	119,427
Increase in funds for the year	188,751	140,897

Summary statement of net assets as at 31 March

	2016	2015
	\$000	\$000
Bank account	36,983	36,350
Investment assets		
Short term deposits	164,938	139,073
NZ bonds	212,366	204,848
Overseas bonds	217,670	180,591
Property	104,859	81,259
NZ shares	190,292	135,129
Australian shares	128,402	102,450
Overseas shares currency hedged	196,078	201,071
Overseas shares (unhedged)	137,361	125,424
Emerging markets	56,020	59,841
Gemino	6,595	6,553
UK growth	1,374	1,889
Ethica	21,517	13,267
Total investment assets	1,437,472	1,251,395
Derivatives	521	15,593
Sundry debtors	7,591	2,848
Accounts payable	(1,550)	(320)
PIE tax receivable/(payable)	68	(13,532)
Total net assets available for benefits	1,481,085	1,292,334

Liability for accrued benefits	2016	2015
	\$000	\$000
Opening balance	1,292,334	1,151,437
Increase in funds for the year	188,751	140,897
Balance at end of year	1,481,085	1,292,334

Summary statement of cash flows for the year ended 31 March

	2016	2015
	\$000	\$000
Cash flows from members' activities		
Net cash flows from members' activities	82	1,667
Cash flows from investing activities		
Net cash flows from investing activities	0	0
Net increase in cash held	82	1,667
Exchange gains on foreign currency accounts	551	360
Opening cash brought forward	36,350	34,323
Balance at end of year	36,983	36,350

Notes to the summary financial statements

These summary financial statements are for SuperLife for the year ended 31 March 2016.

SuperLife is a defined contribution superannuation scheme domiciled in New Zealand and established on 1 November 1993. SuperLife is registered under the Superannuation Schemes Act 1989 (AS/1069) and is a profit oriented reporting entity under the Financial Reporting Act 1993. The main purpose of SuperLife is to provide retirement benefits to members.

The summary financial statements shown on pages 7 and 8 are an abridged version of the full financial statements for SuperLife and cover the 12 month period to 31 March 2016. They are presented in New Zealand dollars and in thousands, unless otherwise stated.

The full financial statements of SuperLife for the year ended 31 March 2016 were authorised for issue by the Trustee on 8 June 2016. The full financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZGAAP"), the requirements of the Financial Reporting Act 1993 and the Superannuation Schemes Act 1989. They comply with NZ IFRS and other applicable Financial Reporting Standards, as appropriate for profit-oriented entities. The full financial statements also comply with International Financial Reporting Standards ("IFRS").

The full financial statements have been audited by PricewaterhouseCoopers who gave an unmodified opinion with no fundamental uncertainties or explanatory paragraphs on 8 June 2016.

The summary financial statements comply with FRS 43: Summary Financial Statements.

The summary financial statements do not include all the disclosures provided in the full financial statements and cannot be expected to provide as complete an understanding as is provided by the full financial statements.

You can request a copy of the most recent financial statements and auditor's report. This information is also available on line at www.superlife.co.nz/education/resources/accounts-annual-reports-legal-documents.

Events after the 31 March 2016: There have been no significant events since 31 March 2016 that require disclosure in these financial statements (2015: nil).



Report of the Independent Auditor on the Summary Financial Statements

to the members of the SuperLife superannuation scheme

The accompanying summary financial statements on pages 7 and 8 which comprise the summary statement of net assets as at 31 March 2016, the summary statement of changes in net assets, and the summary statement of cash flows for the year then ended, and related notes, are derived from the audited financial statements of SuperLife superannuation scheme (the "Scheme") for the year ended 31 March 2016.

The summary financial statements do not contain all the disclosures required for full financial statements under generally accepted accounting practice in New Zealand. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of the Scheme.

Our audit of the financial statements for the year ended 31 March 2016 was completed on 8 June 2016 and our unmodified opinion was issued on that date. We have not undertaken any additional audit procedures in relation to those financial statements from the date of the completion of our audit and those financial statements and the summary financial statements do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

This report is made solely to the Scheme's members, as a body. Our work has been undertaken so that we might state those matters we are required to state to them in a report from the auditor and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme's members, as a body, for this report, or for the opinions we have formed. In addition, we take no responsibility for, nor do we report on, any part of the annual report not specifically mentioned in our report.

Trustee's Responsibility for the Summary Financial Statements

The Trustee is responsible for the preparation and presentation of the summary financial statements in accordance with FRS-43: *Summary Financial Statements* ("FRS 43").

Auditor's Responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (New Zealand) 810: Engagements to Report on Summary Financial Statements.

We are independent of the Scheme. Other than in our capacity as auditor and providers of related assurance services, we have no relationships with, or interests in, the Scheme.

Opinion

In our opinion, the summary financial statements on pages 7 and 8 derived from the audited financial statements of the Scheme for the year ended 31 March 2016 are consistent, in all material respects, with those audited financial statements, in accordance with FRS 43.

Restriction on Use of our Report

This report has been prepared for inclusion in the annual report. We disclaim any responsibility for reliance on this report or the amounts included in the summary financial statements, for any purpose other than that for which they were prepared.

A handwritten signature in blue ink that reads "Priewatehona Cooper".

Chartered Accountants
31 August 2016

Auckland