

Fund Update / For the Year Ended 31 March 2017

Asteron Superplan 2000 Global Fund

Asteron Superplan



This fund update was first made publicly available on 30 June 2017.

What is the purpose of this update?

This document tells you how the Asteron Superplan 2000 Global Fund (Fund) has performed and what fees were charged. The document will help you to compare the fund with other funds. Asteron Retirement Investment Limited (ARIL), the Manager and Trustee of Asteron Superplan (Scheme), prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

Description of this fund

This Fund aims to achieve long term growth through exposure to a diverse range of international sharemarkets. The Fund currently utilise a mixture of funds offered by international fund managers, but may invest in other suitable trusts, funds or directly into appropriate global shares.

| | |
|---------------------------|----------------|
| Total value of the fund | \$3,423,923.64 |
| Number of investors | 123 |
| The date the fund started | April 1996 |

What are the risks of investing?

The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the fund's assets goes up and down. A higher risk generally means higher potential returns over time, but more ups and downs along the way. To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at sorted.org.nz/tools/investor-kickstarter. Note that even the lowest category does not mean a risk-free investment, and there are other risks that are not captured by this rating.

This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the returns data for the 5 year period to 31 March 2017. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates.

Risk indicator for Asteron Superplan 2000 Global Fund

| | | | | | | | |
|---------------------------|---|---|---|----------------------------|---|---|--|
| Lower risk | | | | Higher risk | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | |
| Potentially lower returns | | | | Potentially higher returns | | | |

Specific investment risks

Fund of funds risk

The Fund currently invests in Nikko Asset Management New Zealand (Nikko) managed funds. The performance of the Fund's investment in a Nikko managed fund may be affected by unexpected changes in market conditions. This may impact on investors' returns or ability to withdraw from the Fund. To reduce this risk, the Fund's

Investment Manager, Suncorp Corporate Services Pty Ltd (SCS), monitors and reviews the investment performance of the Nikko managed funds against targets and benchmarks on a monthly basis.

Underlying fund investment manager selection risk

The Fund’s investment in a Nikko managed fund may be subject to the risk that a fund manager selected by Nikko underperforms, resulting in lower returns than the relevant market indices or investment objectives. To reduce this risk, Nikko have a thorough manager research and monitoring process and diversify across a number of managers. From a strategic perspective SCS reviews the performance of Nikko at least every 2 years. Also, SCS have quarterly meetings with Nikko or more frequently where changes in the business or market environment necessitates.

Service provider risk

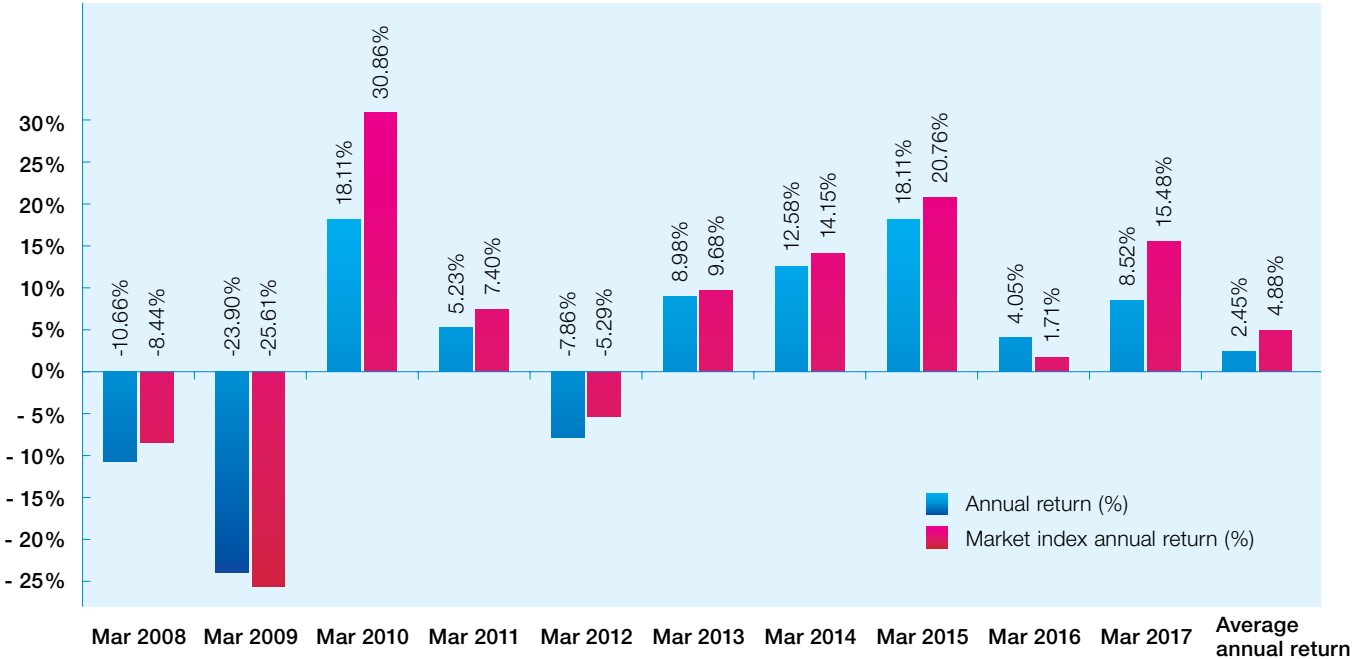
There is a risk that a service provider involved in the investment management and administration of the Fund may breach or fail to perform its obligations. This could impact the operations of the Scheme including the ability to process withdrawals or adversely affect investors’ return on investment. From a strategic perspective to reduce this risk, SCS and the Suncorp New Zealand (SNZ) Investment Sub-Committee actively monitor and review the performance of all service providers to ensure compliance with contractual arrangements at a minimum every 2 years. The SNZ Finance team have monthly and quarterly meetings with service providers or more frequently where changes in the business or market environment necessitates.

How has the fund performed?

| Fund Performance | Average over past five years | Past year (to 31 March 2017) |
|--|------------------------------|------------------------------|
| Annual return (after deductions for charges and tax) | 10.35% | 8.52% |
| Annual return (after deductions for charges but before tax) | 11.61% | 9.72% |
| Market index annual return (reflects no deduction for charges and tax) | 12.17% | 15.48% |

Market index is the MSCI All Countries World Accumulation Index (hedged and unhedged to NZD). Additional information about the market index is available in the Statement of Investment Policy and Objectives (SIPO) on the offer register at companiesoffice.govt.nz/disclose.

Annual return graph



This shows the return after fund charges and tax for each of the last 10 years ending 31 March. The last bar shows the average annual return for the last 10 years up to 31 March 2017.

The graph shows fund returns after the deduction of fees and tax, however, the market index returns are shown before any fees or taxes are deducted.

Important: This does not tell you how the fund will perform in the future.

Returns in this update are after tax at the highest prescribed investor rate (PIR) of tax for an individual New Zealand resident. Your tax may be lower.

What fees are investors charged?

Investors in the Asteron Superplan 2000 Global Fund are charged fund charges. In the year to 31 March 2017, these were:

| | % of net asset value |
|--|-----------------------------------|
| Total fund charges | 1.88% |
| Which are made up of: | |
| Total management and administration charges | 1.15% |
| Including: | |
| Manager's basic fee | -0.25% ¹ |
| Other management and administration charges | 1.40% ² |
| Total performance-based fees | 0.73%³ |
| Other charges | Dollar amount per investor |
| Member fees | \$0.00 |

Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). See the Summary of Individual Action Fees document on the Scheme's offer register at companiesoffice.govt.nz/disclose for more information about those fees.

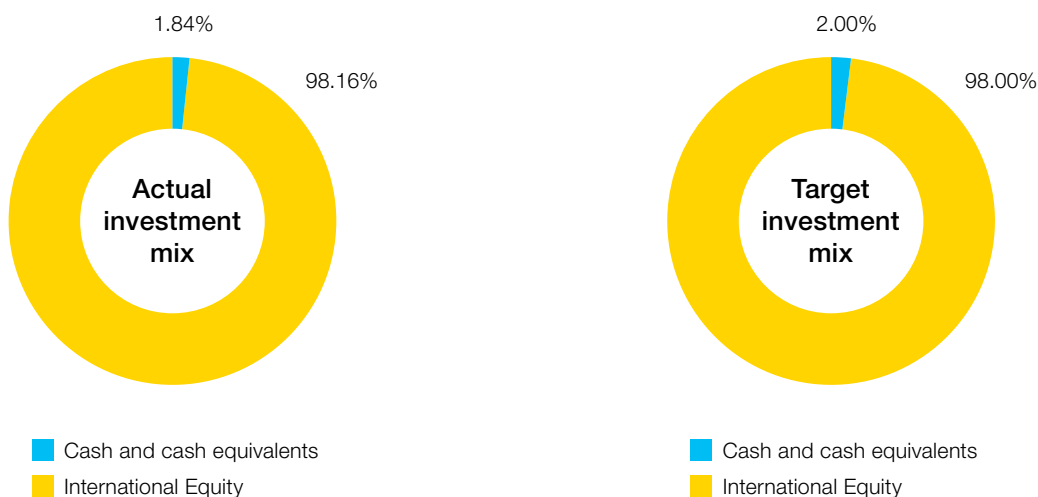
Example of how this applies to an investor

Small differences in fees and charges can have a big impact on your investment over the long term.

David had \$10,000 in the fund at the start of the year and did not make any further contributions. At the end of the year, David received a return after fund charges were deducted of \$852 (that is 8.52% of his initial \$10,000). David paid no other charges. This gives David a total return after tax of \$852 for the year.

What does the fund invest in?

This shows the types of assets that the Fund invests in.



Top 10 investments

| Asset name | % of fund net assets | Type | Country | Credit rating (if applicable) |
|--------------------------------------|----------------------|----------------------|-------------|-------------------------------|
| Nikko AM Global Equity Hedged Fund | 17.65% | International Equity | New Zealand | N/A |
| Nikko AM Global Equity Unhedged Fund | 80.51% | International Equity | New Zealand | N/A |

The above investments make up 98.16% of the net asset value of the Fund.⁴

Currency Hedging

The currency hedging for the Fund's investment in specialist global equity funds aims to be 25% hedged to the New Zealand Dollar.

Key personnel

ARIL has delegated responsibility for management oversight of the Scheme to Suncorp New Zealand's Chief Executive Officer (CEO). The Suncorp New Zealand CEO is supported to execute this responsibility by the Suncorp New Zealand Asset and Liability Committee and its sub-committees (which includes the Investment Sub-Committee). The key personnel who have the most impact on investment decisions in relation to the Fund are the following:

| Name | Position | Time in position | Previous position | Time in previous position |
|--------------------------------|---|------------------|---|---------------------------|
| Paul William Smeaton | CEO and Head of Asset and Liability Committee, Suncorp NZ | 1 year | CEO, Vero Insurance NZ Limited | 7 months |
| Timothy Francis Buckett | CFO and Chair of the Investment Sub-Committee, Suncorp NZ | 9 months | Executive General Manager, Group Strategy and Corporate Development, Suncorp Group | 2 years, 3 months |
| Grant Richard Willis | Deputy CFO and Member of the Investment Sub-Committee, Suncorp NZ | 11 months | CFO, Asteron Life Limited | 4 years, 10 months |
| Patrick Kebble Farrell | Head of Investments of Suncorp Group and Member of the Suncorp NZ Investment Sub-Committee | 9 months | CIO and Head of Advance Asset Management, BT Financial Group | 9 years |
| Gwion Morvran Moore | Executive Manager, Investment Advice of Suncorp Group and Member of the Suncorp NZ Investment Sub-Committee | 1 year, 8 months | Head of Strategy, Fiduciary Management, Europe, Middle East and Africa, Russell Investments | 2 years |

Further information

You can also obtain this information and some additional information from the offer register at companiesoffice.govt.nz/disclose.

Notes

1. The Manager receives a basic management fee of 0.7% (before tax) when the Fund's performance is less than or equal to 8.5% p.a. (before tax) of the Fund value, including when the Fund's performance is zero or negative.

The basic management fee is calculated and charged at each daily unit pricing based on the annualised fund price movement since the last pricing.

The Manager's basic fee is net of investment fee rebates and management fee discounts paid to investors through an increase in their individual unit holdings.

2. Other management and administration charges includes allocation of fees to the Fund and the total expense ratio of the Fund's investment in an underlying managed fund.
3. The Manager is entitled to receive a performance-based fee in respect of the investment performance of the Fund on the following basis.

The performance-based fee is calculated and charged at each daily pricing based on the annualised fund price movement since the last pricing. If the performance of the Fund (the hurdle rate or return) is:

- a. more than 8.5% p.a. (before tax) and less than or equal to 17.0% p.a. (before tax) of the fund value, the fee is 1.4% p.a. (before tax), and
- b. more than 17% p.a. (before tax) of the fund value, the fee is 2.10% p.a. (before tax).

There is no maximum limit on the performance-based fee.

The calculation and payment of the performance-based fee is not subject to a high water mark. A high water mark is the highest value that a fund has achieved on previous performance calculation dates. The effect of no high water mark is that if the Fund drops in value and then recovers, you may be paying a performance-based fee twice for the same return, once for the recovered growth as well as the original growth.

This Fund Update reports the Fund's performance against the market index. The hurdle rate of return used for the determination of the performance-based fee payable is not based on this market index. This may result in a performance-based fee being paid to the Manager even if the Fund's performance does not match or beat the performance of the market index.

4. Calculated excluding cash and cash equivalents held for operational purposes.

Asteron Retirement Investment Limited

Level 13, Asteron Centre, 55 Featherston St, Wellington 6011 | PO Box 894, Wellington 6140

Freephone 0800 737 101 Email contactus@asteronlife.co.nz

www.asteronlife.co.nz

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