

# Asteron Superplan North American Fund

Asteron Superplan



This fund update was first made publicly available on 30 June 2018.

## What is the purpose of this update?

This document tells you how the Asteron Superplan North American 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 by providing exposure to ordinary shares and equity linked securities from American and Canadian companies. The Fund currently utilises a mixture of funds offered by international fund managers. These funds invest either directly or via suitable unit trusts or other funds in shares.

Total value of the fund	\$16,426,618.57
Number of investors	1,577
The date the fund started	August 1990

## 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](http://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 2018. 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 North American 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 Foreign & Colonial Asset Management United Kingdom (F&C) and Nikko Wholesale NZ Cash Fund (Nikko) managed funds. The performance of the Fund's investment in F&C and Nikko managed

funds 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 F&C and Nikko managed funds against targets and benchmarks on a monthly basis.

*Underlying fund investment manager selection risk*

The Fund's investment in a F&C or a Nikko managed fund may be subject to the risk that a fund manager selected by F&C and Nikko underperforms, resulting in lower returns than the relevant market indices or investment objectives. To reduce this risk, F&C and 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 F&C and Nikko at least every 2 years. Also, SCS have quarterly meetings with F&C and Nikko or more frequently where changes in the business or market environment necessitates.

*Service provider risk*

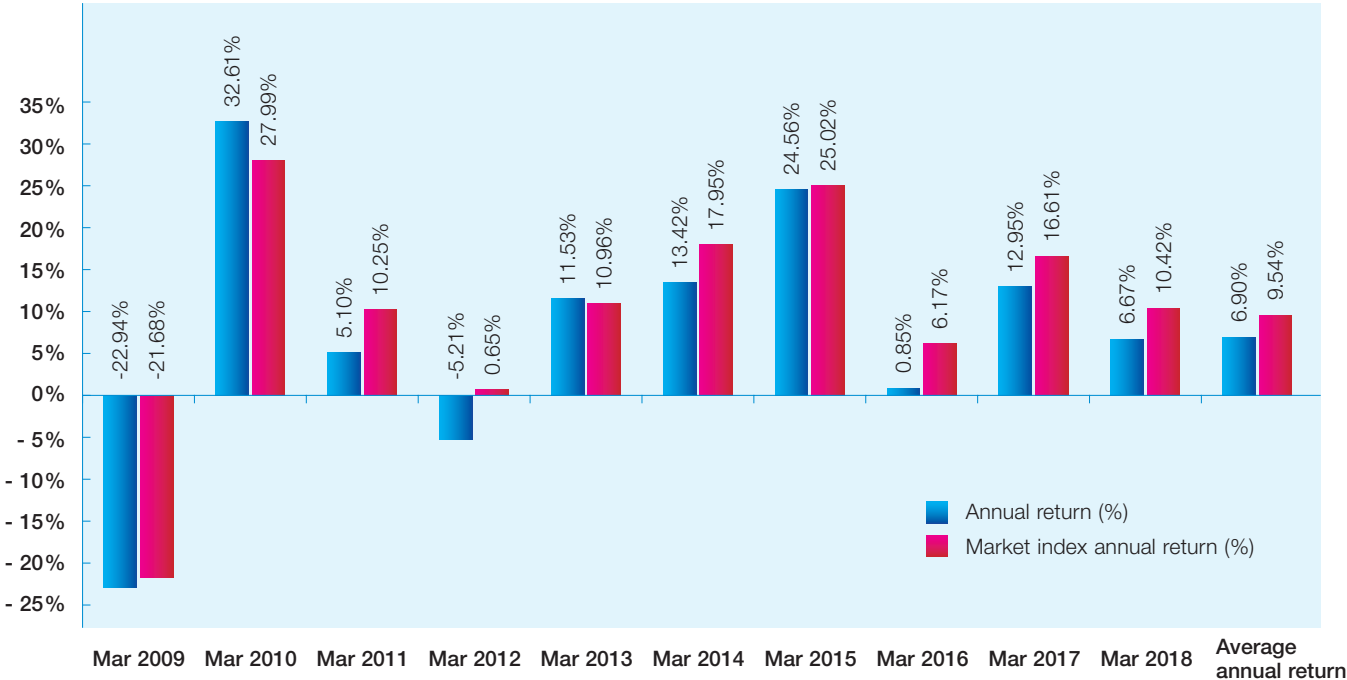
There is a risk that a service provider involved in the investment management and administration of the Fund may breach or fail to perform its obligations. This could impact the operations of the Scheme including the ability to process withdrawals or adversely affect investors' return on investment. 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 2018)
Annual return (after deductions for charges and tax)	11.41%	6.67%
Annual return (after deductions for charges but before tax)	12.27%	7.78%
Market index annual return (reflects no deduction for charges and tax)	15.05%	10.42%

Market index is the MSCI North America Index with net dividends reinvested (25% NZD Hedged). 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](http://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 2018.

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 North American Fund are charged fund charges. In the year to 31 March 2018, these were:

	% of net asset value
<b>Total fund charges</b>	<b>1.96%</b>
Which are made up of:	
<b>Total management and administration charges</b>	<b>1.96%</b>
Including:	
Manager's basic fee	1.31% <sup>1</sup>
Other management and administration charges	0.65% <sup>2</sup>
<b>Total performance-based fees</b>	<b>0.00%</b>
<b>Other charges</b>	
	<b>Dollar amount per investor</b>
Member fees	\$30.00

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](http://companiesoffice.govt.nz/disclose) for more information about those fees.

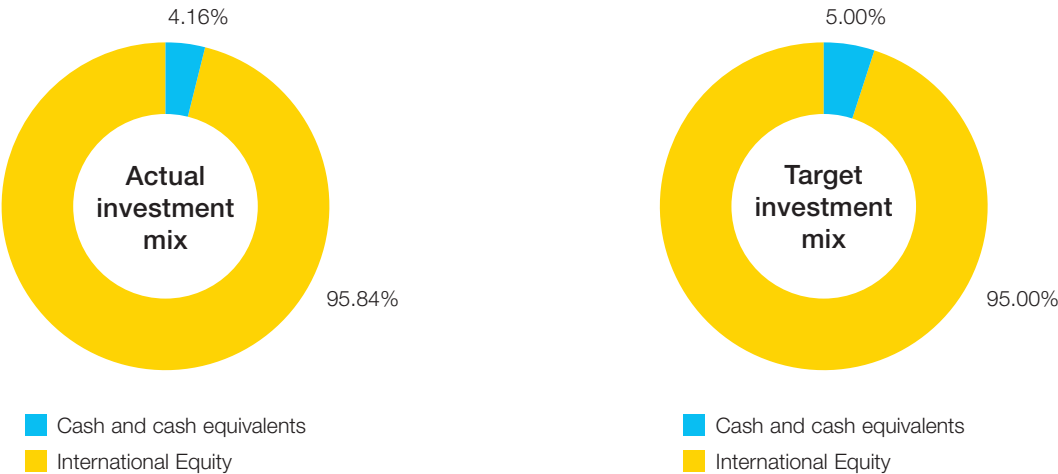
### Example of how this applies to an investor

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 \$667 (that is 6.67% of his initial \$10,000). David also paid other charges of \$30. This gives David a total return after tax of \$637 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)
F&C Us Smaller Comps-1-Inc	4.07%	International Equity	UK	N/A
F&C North American-3-Acc	91.78%	International Equity	UK	N/A
Nikko AM Wholesale NZ Cash Fund	2.41%	Cash and cash equivalents	New Zealand	N/A

The above investments make up 98.26% of the net asset value of the Fund.<sup>3</sup>

### 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
<b>Paul William Smeaton</b>	CEO and Head of Asset and Liability Committee, Suncorp NZ	2 years	CEO, Vero Insurance NZ Limited	7 months
<b>Timothy Francis Buckett</b>	CFO and Chair of the Investment Sub-Committee, Suncorp NZ	1 year, 9 months	Executive General Manager, Group Strategy and Corporate Development, Suncorp Group	2 years, 3 months
<b>Grant Richard Willis</b>	Deputy CFO and Member of the Investment Sub-Committee, Suncorp NZ	1 year, 11 months	CFO, Asteron Life Limited	4 years, 10 months
<b>Patrick Kebble Farrell</b>	Head of Investments of Suncorp Group and Member of the Suncorp NZ Investment Sub-Committee	1 year, 9 months	CIO and Head of Advance Asset Management, BT Financial Group	9 years
<b>Gwion Morvran Moore</b>	Executive Manager, Investment Strategy and Portfolio Management and Member of the Suncorp NZ Investment Sub-Committee	2 years, 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](https://companiesoffice.govt.nz/disclose).

## Notes

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

There has been a significant decrease in the Manager's basic fee when compared to the previous year. The Manager's basic fee for 2018 is 1.31% in contrast to 1.88% for 2017. The difference is largely due to an error in the calculation of management fee rebates following the transition to the PIE tax regime. The error has resulted in a +0.56% correction to members' accounts for the 12 months to 31 March 2018, crediting back the value of understated management fee rebates and any investment returns that members would have received if the error had not occurred. The Manager's basic fee for the next 12 months is likely to return to a similar level to what was experienced in 2017.

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

### **Asteron Retirement Investment Limited**

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