



SUPERLIFE INVEST FUNDS

PART 1

NZ Bonds Fund
NZ Shares Fund
NZ Top 50 Fund
NZ Top 10 Fund
NZ Mid Cap Fund
NZ Property Fund
NZ Cash Fund
NZ Cash ETF Fund
SuperLife (Active Multi Asset Class)
NZ Dividend Fund

**FINANCIAL STATEMENTS
FOR THE YEAR/PERIOD ENDED 31 MARCH 2020**

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SUPERLIFE INVEST FUNDS

Manager	Smartshares Limited
Registered Office	Level 1 NZX Centre, 11 Cable Street, Wellington 6140, New Zealand
Licensed Supervisor	Public Trust
Administrators	Smartshares Limited (ceased 11 July 2019) BNP Paribas Fund Services Australasia Pty Limited, New Zealand branch (since 12 July 2019)
Custodian	BNP Paribas Fund Services Australasia Pty Limited, New Zealand branch
Auditor	KPMG

CORRESPONDENCE

All correspondence and enquiries to the Manager about the Funds should be addressed to the Manager, Smartshares Limited at the above address.

SUPERLIFE INVEST FUNDS

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR/PERIOD ENDED 31 MARCH 2020

	NZ Bonds Fund	NZ Shares Fund	NZ Top 50 Fund	NZ Top 10 Fund	NZ Mid Cap Fund
	Year ended 2020	Year ended 2020	Year ended 2020	Year ended 2020	Year ended 2020
Note	\$'000	\$'000	\$'000	\$'000	\$'000
Income					
Dividends and distributions	6,592	3,013	1,938	123	300
Interest income	12	9	-	1	2
Net changes in fair value of investments	(2,857)	(13,881)	(7,099)	128	(1,770)
Other income	-	-	-	-	-
Net income	<u>3,747</u>	<u>(10,859)</u>	<u>(5,161)</u>	<u>252</u>	<u>(1,468)</u>
Expenses					
Fund expenses	139	(68)	5	5	11
Total expenses	<u>139</u>	<u>(68)</u>	<u>5</u>	<u>5</u>	<u>11</u>
Net profit/(loss)	3,886	(10,927)	(5,156)	257	(1,457)
Other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss)	<u>3,886</u>	<u>(10,927)</u>	<u>(5,156)</u>	<u>257</u>	<u>(1,457)</u>

The accompanying notes form part of and should be read in conjunction with these financial statements.

SUPERLIFE INVEST FUNDS

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR/PERIOD ENDED 31 MARCH 2020

	NZ Property Fund	NZ Cash Fund	NZ Cash ETF Fund	SuperLife (Active Multi Asset Class) 10 Months	NZ Dividend Fund
	Year ended 2020	Year ended 2020	Period ended 2020	Period ended 2020	Year ended 2020
Note	\$'000	\$'000	\$'000	\$'000	\$'000
Income					
Dividends and distributions	460	4,145	57	84	353
Interest income	-	892	-	-	1
Net changes in fair value of investments	(3,765)	(1,287)	(34)	(201)	(1,933)
Other income	-	-	-	-	1
Net income	(3,305)	3,750	23	(117)	(1,578)
Expenses					
Fund expenses	9	(463)	(1)	23	2
Total expenses	9	(463)	(1)	23	2
Net profit/(loss)	(3,296)	3,287	22	(94)	(1,576)
Other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss)	(3,296)	3,287	22	(94)	(1,576)

The accompanying notes form part of and should be read in conjunction with these financial statements.

SUPERLIFE INVEST FUNDS

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
FOR THE YEAR/PERIOD ENDED 31 MARCH 2020

	NZ Bonds Fund	NZ Shares Fund	NZ Top 50 Fund	NZ Top 10 Fund	NZ Mid Cap Fund
	Year ended	Year ended	Year ended	Year ended	Year ended
	2020	2020	2020	2020	2020
Note	\$'000	\$'000	\$'000	\$'000	\$'000
Opening value	-	-	-	-	-
Total comprehensive income/(loss)	3,886	(10,927)	(5,156)	257	(1,457)
Subscriptions	163,814	115,960	75,629	10,109	14,811
Redemptions	(28,736)	(16,107)	(11,523)	(4,585)	(4,535)
Redemptions - administration fees	11c (4)	(1)	(5)	-	(1)
Redemptions - insurance benefit and premium	-	-	(3)	-	(1)
Portfolio Investment Entity tax	34	5	27	2	9
	<u>135,108</u>	<u>99,857</u>	<u>64,125</u>	<u>5,526</u>	<u>10,283</u>
Closing value	<u>138,994</u>	<u>88,930</u>	<u>58,969</u>	<u>5,783</u>	<u>8,826</u>

The accompanying notes form part of and should be read in conjunction with these financial statements.

SUPERLIFE INVEST FUNDS

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
FOR THE YEAR/PERIOD ENDED 31 MARCH 2020

	NZ Property Fund	NZ Cash Fund	NZ Cash ETF Fund	SuperLife (Active Multi Asset Class) 10 Months	NZ Dividend Fund
	Year ended 2020 \$'000	Year ended 2020 \$'000	Period ended 2020 \$'000	Period ended 2020 \$'000	Year ended 2020 \$'000
Note					
Opening value	-	-	-	-	-
Total comprehensive income/(loss)	(3,296)	3,287	22	(94)	(1,576)
Subscriptions	30,427	320,409	3,007	3,705	12,435
Redemptions	(10,366)	(70,021)	(3,043)	-	(4,506)
Redemptions - administration fees	11c (1)	(14)	-	-	(1)
Redemptions - insurance benefit and premium	-	(218)	-	-	-
Portfolio Investment Entity tax	<u>7</u>	<u>(1)</u>	<u>14</u>	<u>-</u>	<u>9</u>
	20,067	250,155	(22)	3,705	7,937
Closing value	<u>16,771</u>	<u>253,442</u>	<u>-</u>	<u>3,611</u>	<u>6,361</u>


The accompanying notes form part of and should be read in conjunction with these financial statements.

SUPERLIFE INVEST FUNDS


STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2020

		NZ Bonds Fund	NZ Shares Fund	NZ Top 50 Fund	NZ Top 10 Fund	NZ Mid Cap Fund
	Note	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000
Assets						
Cash and cash equivalents		440	1,175	-	331	453
Other receivables		106	18	20	6	10
Outstanding sales		888	-	-	-	-
Term deposits		-	-	-	-	-
Investments at fair value through profit or loss	7	137,559	87,763	58,934	5,705	8,693
Portfolio Investment Entity tax receivable		33	3	26	2	8
Total assets		139,026	88,959	58,980	6,044	9,164
Liabilities						
Fund expenses payable	11c	(32)	(29)	(11)	-	(1)
Outstanding purchases		-	-	-	(261)	(337)
Portfolio Investment Entity tax payable		-	-	-	-	-
Total liabilities		(32)	(29)	(11)	(261)	(338)
Net assets of your Fund		138,994	88,930	58,969	5,783	8,826

For and on behalf of the Manager, Smartshares Limited, which authorised the issue of the financial statements on 28 September 2020.

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Director

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Director

The accompanying notes form part of and should be read in conjunction with these financial statements.


SUPERLIFE INVEST FUNDS

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	NZ Property Fund	NZ Cash Fund	NZ Cash ETF Fund	SuperLife (Active Multi Asset Class)	NZ Dividend Fund
Note	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000
Assets					
Cash and cash equivalents	-	2,728	-	83	79
Other receivables	12	33	-	23	6
Outstanding sales	-	-	-	-	-
Term deposits	-	21,298	-	-	-
Investments at fair value through profit or loss	7	16,755	-	3,505	6,268
Portfolio Investment Entity tax receivable	6	-	-	-	9
Total assets	16,773	253,655	-	3,611	6,362
Liabilities					
Fund expenses payable	11c	(2)	(211)	-	(1)
Outstanding purchases	-	-	-	-	-
Portfolio Investment Entity tax payable	-	(2)	-	-	-
Total liabilities	(2)	(213)	-	-	(1)
Net assets of your Fund	16,771	253,442	-	3,611	6,361


For and on behalf of the Manager, Smartshares Limited, which authorised the issue of the financial statements on 28 September 2020.

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Director

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Director

The accompanying notes form part of and should be read in conjunction with these financial statements.

SUPERLIFE INVEST FUNDS

STATEMENTS OF CASH FLOWS
FOR THE YEAR/PERIOD ENDED 31 MARCH 2020

	NZ Bonds Fund	NZ Shares Fund	NZ Top 50 Fund	NZ Top 10 Fund	NZ Mid Cap Fund
	Year ended 2020	Year ended 2020	Year ended 2020	Year ended 2020	Year ended 2020
Note	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
Dividends and distributions received	3,485	3,013	1,938	123	300
Interest income received	12	9	-	1	2
Sale of investments	12,526	53,676	10,183	3,660	3,233
Other income received	-	-	-	-	-
Fund expenses paid	65	(81)	(11)	(1)	2
Purchase of investments	(11,512)	(46,634)	(18,579)	(5,536)	(5,218)
Net operating cash flows	4,576	9,983	(6,469)	(1,753)	(1,681)
10					
Cash flows from financial activities					
Subscriptions	24,603	7,299	17,986	6,669	6,663
Redemptions	(28,736)	(16,107)	(11,523)	(4,585)	(4,535)
Redemptions - administration fees deducted	(4)	(1)	(5)	-	(1)
Redemptions - insurance benefit and premium paid out	-	-	(3)	-	(1)
Portfolio Investment Entity tax (paid)/received	1	1	14	-	8
Net financial cash flows	(4,136)	(8,808)	6,469	2,084	2,134
Net increase/(decrease) in cash and cash equivalents held	440	1,175	-	331	453
Cash and cash equivalents at the beginning of the year	-	-	-	-	-
Cash and cash equivalents at the end of the year	440	1,175	-	331	453
Cash and cash equivalents comprise of:					
Cash at bank	440	1,175	-	331	453
Cash and cash equivalents at the end of the year	440	1,175	-	331	453

The accompanying notes form part of and should be read in conjunction with these financial statements.

SUPERLIFE INVEST FUNDS

STATEMENTS OF CASH FLOWS
FOR THE YEAR/PERIOD ENDED 31 MARCH 2020

	NZ Property Fund	NZ Cash Fund	NZ Cash ETF Fund	SuperLife (Active Multi Asset Class) 10 Months	NZ Dividend Fund
	Year ended 2020	Year ended 2020	Period ended 2020	Year ended 2020	Year ended 2020
Note	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
Dividends and distributions received	460	3,398	32	84	353
Interest income received	-	15	-	-	1
Sale of investments	10,047	185,278	1,010	-	3,220
Other income received	-	-	-	-	1
Fund expenses paid	(1)	(355)	(1)	-	(3)
Purchase of investments	(24,452)	(253,844)	(553)	(3,706)	(5,720)
Net operating cash flows	10	(13,946)	488	(3,622)	(2,148)
Cash flows from financial activities					
Subscriptions	24,311	138,500	568	3,705	6,729
Redemptions	(10,366)	(70,021)	(1,070)	-	(4,506)
Redemptions - administration fees deducted	(1)	(14)	-	-	(1)
Redemptions - insurance benefit and premium paid out	-	(218)	-	-	-
Portfolio Investment Entity tax (paid)/received	2	(11)	14	-	5
Net financial cash flows	13,946	68,236	(488)	3,705	2,227
Net increase/(decrease) in cash and cash equivalents held	-	2,728	-	83	79
Cash and cash equivalents at the beginning of the year	-	-	-	-	-
Cash and cash equivalents at the end of the year	-	2,728	-	83	79
Cash and cash equivalents comprise of:					
Cash at bank	-	2,728	-	83	79
Cash and cash equivalents at the end of the year	-	2,728	-	83	79

The accompanying notes form part of and should be read in conjunction with these financial statements.

SUPERLIFE INVEST FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR/PERIOD ENDED 31 MARCH 2020

1. General information

The SuperLife Invest Funds are funds offered under a registered managed investment scheme called 'SuperLife Invest' (the "Scheme"). The Scheme was registered in New Zealand and established under the Financial Markets Conduct Act 2013 (the "FMCA 2013") for the principal purpose of providing investors access to a range of investment markets. The Scheme's registration number is SCH 10765. It is governed by the SuperLife Invest Master Trust Deed dated 14 September 2016 and as further amended and restated on 15 July 2019 (the "Trust Deed"). Each Fund in the Scheme is established as a separate and distinct trust fund.

During the year/period ended 31 March 2020, there were 40 funds under the Scheme and the funds' financial statements are divided into 6 sets. These financial statements are for SuperLife Invest Funds Part 1 and for the following funds (each a fund, collectively the "Funds"):

NZ Bonds Fund
 NZ Shares Fund
 NZ Top 50 Fund
 NZ Top 10 Fund
 NZ Mid Cap Fund
 NZ Property Fund
 NZ Cash Fund
 NZ Cash ETF Fund
 SuperLife (Active Multi Asset Class)
 NZ Dividend Fund

2. Reporting period

These are the Funds' first financial statements. Except for SuperLife (Active Multi Asset Class), the financial statements are for the period 1 April 2019 to 31 March 2020. SuperLife (Active Multi Asset Class)'s financial statements are for the period 28 June 2019 to 31 March 2020 as it only commenced operations on 28 June 2019.

3. Basis of preparation

The financial statements of the Funds have been drawn up in accordance with the Trust Deed and comply with the requirements of the FMCA 2013, New Zealand Generally Accepted Accounting Practice, as defined in the Financial Reporting Act 2013, New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") and International Financial Reporting Standards ("IFRS"). The accounting policies have been consistently applied throughout the reporting period.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss. All amounts are in New Zealand Dollars (NZD), rounded to the nearest thousand. Where specific amounts are referred to in the note wording, the amounts are rounded to the nearest dollar. The NZD is also the functional currency of the Funds.

NZ Cash ETF Fund ceased operations on 13 December 2019 and has been wound up. The financial statements for NZ Cash ETF is the fund's final financial statements. All assets and liabilities of the fund have been realised and are nil at year end.

4. Critical accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates that affect the reported amounts and the application of accounting policies. It also requires the Manager to exercise its judgement in the process of applying the accounting policies of the Funds.

Discussion of the critical accounting estimates and judgements used is included in note 7 on financial instruments at fair value through profit or loss.

5. Summary of significant accounting policies

(a) Financial Instruments

Classification

The Funds classify their financial assets based on both the Funds' business model for managing those financial assets and the contractual cash flow characteristics of the financial assets in accordance with NZ IFRS 9: Financial Instruments.

SUPERLIFE INVEST FUNDS**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR/PERIOD ENDED 31 MARCH 2020****5. Summary of significant accounting policies (Continued)**

(i) Financial assets and financial liabilities at fair value through profit or loss

These include investments at fair value through profit and loss and derivative instruments. The Funds mainly evaluate the information about these financial assets on a fair value basis together with other related financial information to assess the assets' performance and to make decisions.

(ii) Financial assets at amortised cost

These include cash and cash equivalents, receivables and term deposits.

(iii) Financial liabilities at amortised cost

These represent amounts recognised to be paid in the future for goods and services received. These include outstanding settlements and other accrued expenses.

Recognition, derecognition and measurement

Financial assets and financial liabilities are recognised on the date the fund becomes a party to the contractual agreement (trade date).

Financial assets are derecognised when the right to receive cash flows from the financial assets has expired or the fund has transferred substantially all of the risks and rewards of ownership. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expired.

Financial assets and financial liabilities held at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the Statement of Comprehensive Income. Subsequent to initial recognition, these are measured at fair value. Gains or losses arising from changes in the fair value of the financial instruments designated at fair value through profit or loss are presented in the Statement of Comprehensive Income within 'net changes in fair value of investments' in the period in which they arise.

Financial assets at amortised cost are measured at amortised cost, using the effective interest method, less an allowance for impairment based on the expected credit losses (ECL).

Financial liabilities at amortised cost are measured at amortised cost using the effective interest method.

Fair value determination

The fair value of financial instruments traded is based on quoted market prices at the reporting date. The quoted market price used for financial assets by the Funds is the last traded price.

For managed investment trusts where there is no active market the fair value is determined by the realisable value of the investments as advised by the investment managers based on the underlying market value on the reporting date.

For all other financial instruments not traded in an active market the fair value is determined using valuation techniques which include the use of recent comparable arms-length market transactions, reference to the current market value of another similar financial instrument, discounted cash flow analysis and other valuation models making the maximum use of market inputs and keeping judgemental inputs to a minimum.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of a fund or its counterparty.

(b) Cash and cash equivalents

Cash and cash equivalents ("Cash") means cash at bank, demand deposits and other highly liquid investments in which the Funds may invest as part of their day-to-day cash management. Cash does not include accounts receivables or payables, or any borrowings subject to a term facility.

SUPERLIFE INVEST FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR/PERIOD ENDED 31 MARCH 2020

5. Summary of significant accounting policies (Continued)

(c) Foreign currency translation

Foreign currency transactions are translated into the functional currency (NZD) using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses arising from translation are included in the Statement of Comprehensive Income. Foreign exchange gains and losses relating to financial assets and financial liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within 'net changes in fair value of investments'.

(d) Dividends and distributions income

Dividends and distributions income are recognised when the right to receive payment is established.

(e) Interest income

Interest income is recognised as the interest accrues using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

(f) Units

The Funds were unitised on 15 July 2019, refer to note 9.

The Funds issue units, which provide the holder with a beneficial interest in the Funds. The units are issued and redeemed based on the Funds' net asset value per unit at the time of issue or redemption, which is calculated by dividing the net assets attributable to the unitholders by the total number of outstanding units.

The units meet the definition of puttable instruments and are classified as equity instruments under NZ IAS 32 Financial Instruments: Presentation.

(g) Fees and expenses

The Funds incur fees and expenses from a range of services received from various service providers, including reimbursable expenses allowed by the Trust Deed. Fees are accrued as services are rendered.

(h) Taxation

Each of the Funds is a Portfolio Investment Entity ("PIE"). Under the PIE regime, income is effectively taxed in the hands of the unitholders and therefore the Funds do not have an income tax liability on their accounts.

Taxable income is attributed to unitholders in accordance with their proportionate interest in the Funds. Income attributed to each unitholder is taxed at the unitholder's Prescribed Investor Rate which is capped at 28%. The tax balance included in the Statement of Financial Position represents PIE tax receivable or payable on behalf of the unitholders.

(i) Goods and services tax (GST)

The Funds are not registered for GST and consequently all components of the financial statements are stated inclusive of GST where appropriate.

(j) Securities lending

Certain funds enter into securities lending transactions whereby they lend securities, recognised on the Statement of Financial Position, but retain either all or substantially all of the risk and rewards of the lent securities. As all or substantially all risks and rewards are retained, the lent securities are not derecognised.

(k) Insurance

Insurance claim proceeds in respect of life, medical and disability insurance, are shown as insurance proceeds received from insurers when the money is received. Payments to the members or beneficiaries are shown as benefit payments when the insurance proceeds are paid to the unitholders or beneficiaries.

SUPERLIFE INVEST FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR/PERIOD ENDED 31 MARCH 2020

5. Summary of significant accounting policies (Continued)

(l) Changes in accounting policies and accounting standards adopted during the year

A number of new standards are effective from 1 April 2019, including NZ IFRS 16 but they do not have any material effect on the fund's financial statements.

(m) Issued but not yet effective accounting standards

A number of accounting standards have been issued or revised that are not yet effective as at 31 March 2020, and were identified as not applicable to the Funds.

6. Risk

The Funds' investment activities directly expose them to market risk (market price risk and interest rate risk), credit risk, liquidity risk and securities lending risk. Additionally, the Funds are also indirectly exposed to a variety of financial risks including credit, currency, interest rate, market price and liquidity risks through the holding of the investments in managed investment trusts.

The financial risk management disclosures have been prepared on the basis of the Fund's direct investments and not on a full look through basis for the investments held indirectly through the managed investment trusts.

6a Market risk

Market price risk is the risk of gains or losses from changes in the market price of underlying investments. Interest rate risk is the risk of gains or losses in interest income from changes in market interest rates.

An analysis of the financial risks arising from the direct investments of the Funds is set out below:

Market price risk

Equity securities held are exposed to market price risk arising from uncertainties about future prices of financial instruments. Because the Funds invest in exchange traded funds (ETFs), equity securities and other managed investment trusts, the value of the Funds will move up and down with the market.

A 10% annual increase/decrease in equity prices is considered to be a reasonably likely percentage change based on the historical performance of the underlying investments and represents the exposure to market price risk for the year ended 31 March 2020.

A 10% increase/decrease in prices would have increased/decreased net profit and unitholders funds as shown in the table below:

	NZ Bonds Fund	NZ Shares Fund	NZ Top 50 Fund	NZ Top 10 Fund	NZ Mid Cap Fund	NZ Property Fund
	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000
Impact of 10% change in market prices +/-	13,756	8,776	5,893	571	869	1,676
	NZ Cash Fund	NZ Cash ETF Fund	SuperLife (Active Multi Asset Class)	NZ Dividend Fund		
	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000		
Impact of 10% change in market prices +/-	22,960	-	351	627		

SUPERLIFE INVEST FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR/PERIOD ENDED 31 MARCH 2020

6. Risk (Continued)

Interest rate risk

Funds holding cash assets have exposure to interest rate risk.

A 1% increase/decrease in the interest rates would have an impact on the value of the Funds' net assets as follows:

	NZ Bonds Fund	NZ Shares Fund	NZ Top 50 Fund	NZ Top 10 Fund	NZ Mid Cap Fund	NZ Property Fund
	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000
Impact of 1% change in the interest rate +/-	4	12	-	3	5	-

	NZ Cash Fund	NZ Cash ETF Fund	SuperLife (Active Multi Asset Class)	NZ Dividend Fund
	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000
Impact of 1% change in the interest rate +/-	27	-	1	1

6b Credit risk

The Funds are exposed to the potential risk of financial loss resulting from the failure of counterparties to fully honour the terms of conditions of a contract with the Funds. The maximum credit risk of financial instruments is considered to be their carrying value. Financial instruments that subject the Funds to credit risk consist primarily of cash, receivables and derivatives. The analysis below summarises the credit quality of the Funds' exposure rated externally by Standard & Poor's.

	NZ Bonds Fund	NZ Shares Fund	NZ Top 50 Fund	NZ Top 10 Fund	NZ Mid Cap Fund	NZ Property Fund
	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000
AAA to AA-	440	1,175	-	331	453	-

SUPERLIFE INVEST FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR/PERIOD ENDED 31 MARCH 2020

6. Risk (Continued)

	NZ Cash Fund	NZ Cash ETF Fund	SuperLife (Active Multi Asset Class)	NZ Dividend Fund
	2020	2020	2020	2020
	\$'000	\$'000	\$'000	\$'000
AAA to AA-	2,728	-	83	79

6c Liquidity risk

In accordance with the Funds' policy, the Manager monitors the Funds' liquidity position on a daily basis. Liquidity management is designed to ensure that the Funds have the ability to generate sufficient cash in a timely manner to meet their financial commitments and normal levels of redemptions. The Manager regularly monitors market volatility and redemption levels to establish each fund's appropriate liquidity level. In the event of abnormal levels of redemptions, timing of payments may depend on the ability of the particular fund to realise its underlying investments on a timely basis.

The Funds continue to maintain appropriate levels of liquidity and meet their normal redemption obligations in the rapidly changing COVID-19 environment.

6d Securities lending risk

A number of possible risks arise from the Funds' securities lending program. These include, but are not limited to, the risk that a borrower of securities fails to deliver equivalent securities on termination of a loan and the risk that the lending contract will for whatever reason not be legally enforceable.

In order to limit the Funds' exposure to risk that may arise from securities lending, there is a limitation on the value of securities that a fund may lend at any point in time and a requirement that collateral be held by the custodian.

As at 31 March 2020, no securities of the Funds were on loan to any borrower.

7. Investments

Financial instruments measured at fair value are categorised across the following 3 levels based on the degree to which their fair value is observable, Level 1 - Fair value measurements are derived from quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 - Fair value measurements are derived from inputs other than quoted prices included within Level 1 that are observable either directly or indirectly; Level 3 - Fair value measurements are derived from valuation methods that include inputs that are not based on observable market data.

The fair value for investments in underlying ETFs, listed managed investment trusts and equities is based on their last traded price and defined as Level 1. Fair value for investments in unlisted managed investment trust is based on their quoted redemption price, and categorised as Level 2 in the hierarchy. Forward foreign exchange contracts are marked to market at the currency forward exchange rate at the reporting date for contracts with similar maturity and risk profiles and categorised as Level 2.

There were no transfers between levels during the year ended.

The COVID-19 outbreak which was declared a global pandemic by the World Health Organisation in March 2020 caused widespread uncertainty across global economies and the market impact of this is reflected in the value of the investments disclosed in the financial statements as at 31 March 2020. Following the year/period ended 31 March 2020, the value of the investments have shown evidence of recovery.

There was no impact on the categorisation of investments held in accordance with the fair value hierarchy as at 31 March 2020 and this remains as disclosed above.

SUPERLIFE INVEST FUNDS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR/PERIOD ENDED 31 MARCH 2020

7. Investments (Continued)

	NZ Bonds Fund 31 March 2020			NZ Shares Fund 31 March 2020			NZ Top 50 Fund 31 March 2020			NZ Top 10 Fund 31 March 2020		
	Level 1 \$'000	Level 2 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Total \$'000
Financial assets at fair value through profit or loss												
<i>Investments:</i>												
ETFs	137,559	-	137,559	86,137	-	86,137	58,934	-	58,934	5,705	-	5,705
Listed equities and managed investment trusts	-	-	-	1,626	-	1,626	-	-	-	-	-	-
	<u>137,559</u>	<u>-</u>	<u>137,559</u>	<u>87,763</u>	<u>-</u>	<u>87,763</u>	<u>58,934</u>	<u>-</u>	<u>58,934</u>	<u>5,705</u>	<u>-</u>	<u>5,705</u>

	NZ Mid Cap Fund 31 March 2020			NZ Property Fund 31 March 2020			NZ Cash Fund 31 March 2020			NZ Cash ETF Fund 31 March 2020		
	Level 1 \$'000	Level 2 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Total \$'000
Financial assets at fair value through profit or loss												
<i>Investments:</i>												
ETFs	8,693	-	8,693	16,755	-	16,755	229,596	-	229,596	-	-	-
	<u>8,693</u>	<u>-</u>	<u>8,693</u>	<u>16,755</u>	<u>-</u>	<u>16,755</u>	<u>229,596</u>	<u>-</u>	<u>229,596</u>	<u>-</u>	<u>-</u>	<u>-</u>

	SuperLife (Active Multi Asset Class) 31 March 2020			NZ Dividend Fund 31 March 2020		
	Level 1 \$'000	Level 2 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Total \$'000
Financial assets at fair value through profit or loss						
<i>Investments:</i>						
ETFs	-	-	-	6,268	-	6,268
Unlisted managed investment trusts	-	3,505	3,505	-	-	-
	<u>-</u>	<u>3,505</u>	<u>3,505</u>	<u>6,268</u>	<u>-</u>	<u>6,268</u>

SUPERLIFE INVEST FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR/PERIOD ENDED 31 MARCH 2020

8. Resettlements

Effective 11:59pm on 31 March 2019 the Funds received assets and liabilities as a result of the resettlement of the SuperLife Invest Managed Investment Scheme into 37 distinct segregated funds (standalone trusts). The value of the resettled assets and liabilities for each of the Funds included in the financial statements are presented in the table below:

	NZ Bonds Fund	NZ Shares Fund	NZ Top 50 Fund	NZ Top 10 Fund	NZ Mid Cap Fund	NZ Property Fund
	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000
Investments at fair value through profit or loss	139,212	108,686	57,637	3,440	8,140	6,116
Cash and cash equivalents	2,041	1,045	-	75	180	-
Receivables	51	21	26	2	9	3
Payables	(54)	(46)	(20)	(1)	(3)	(2)
	<u>141,250</u>	<u>109,706</u>	<u>57,643</u>	<u>3,516</u>	<u>8,326</u>	<u>6,117</u>

	NZ Cash Fund	NZ Cash ETF Fund	SuperLife (Active Multi Asset Class)	NZ Dividend Fund
	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000
Investments at fair value through profit or loss	179,537	2,439	-	5,701
Cash and cash equivalents	3,270	-	-	65
Receivables	513	1	-	6
Payables	(100)	(1)	-	(2)
	<u>183,220</u>	<u>2,439</u>	<u>-</u>	<u>5,770</u>

9. Units on issue ('000 units)

	NZ Bonds Fund	NZ Shares Fund	NZ Top 50 Fund	NZ Top 10 Fund	NZ Mid Cap Fund	NZ Property Fund
	Year ended 2020 Units '000	Year ended 2020 Units '000	Year ended 2020 Units '000	Year ended 2020 Units '000	Year ended 2020 Units '000	Year ended 2020 Units '000
Opening balance	-	-	-	-	-	-
Units issued due to Funds unitisation on 15 July 2019	146,910	114,984	66,631	5,074	9,828	11,812
Subscriptions from unitholders	16,894	5,397	12,441	5,061	5,422	18,636
Redemptions by unitholders	(26,383)	(14,227)	(10,739)	(4,370)	(4,516)	(10,691)
Closing balance	<u>137,421</u>	<u>106,154</u>	<u>68,333</u>	<u>5,765</u>	<u>10,734</u>	<u>19,757</u>

SUPERLIFE INVEST FUNDS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR/PERIOD ENDED 31 MARCH 2020

9. Units on issue ('000 units) (Continued)

	NZ Cash Fund	NZ Cash ETF Fund	SuperLife (Active Multi Asset Class) 10 Months	NZ Dividend Fund
	Year ended 2020	Year ended 2020	Period ended 2020	Year ended 2020
	Units '000	Units '000	Units '000	Units '000
Opening balance	-	-	-	-
Units issued due to Funds unitisation on 15 July 2019	180,330	1,967	-	7,761
Subscriptions from unitholders	103,485	436	3,671	5,019
Redemptions by unitholders	(33,184)	(2,403)	-	(4,502)
Closing balance	250,631	-	3,671	8,278

10. Reconciliation of profit/(loss) to net cash flows from operating activities

	NZ Bonds Fund	NZ Shares Fund	NZ Top 50 Fund	NZ Top 10 Fund	NZ Mid Cap Fund	NZ Property Fund
	Year ended 2020	Year ended 2020	Year ended 2020	Year ended 2020	Year ended 2020	Year ended 2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net profit/(loss)	3,886	(10,927)	(5,156)	257	(1,457)	(3,296)
<i>Adjustments for:</i>						
Payments for the purchase of investments and derivatives	(11,512)	(46,634)	(18,579)	(5,536)	(5,218)	(24,452)
Proceeds from sale of investments and derivatives	12,526	53,676	10,183	3,660	3,233	10,047
Realised (gain)/loss on investments and derivatives	364	1,301	11	(82)	59	582
Unrealised (gain)/loss on investments and derivatives	2,493	12,580	7,088	(46)	1,711	3,183
Non-cash distributions	(3,107)	-	-	-	-	-
Accrued interest on term deposits	-	-	-	-	-	-
Increase in receivables	(106)	(18)	(20)	(6)	(10)	(12)
Increase in payables	32	29	11	-	1	2
Movement in resettled receivables and payables	-	(24)	(7)	-	-	-
Resettled term deposits interest	-	-	-	-	-	-
Net cash flows from operating activities	4,576	9,983	(6,469)	(1,753)	(1,681)	(13,946)

SUPERLIFE INVEST FUNDS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR/PERIOD ENDED 31 MARCH 2020

10. Reconciliation of profit/(loss) to net cash flows from operating activities (Continued)

	NZ Cash Fund	NZ Cash ETF Fund	SuperLife (Active Multi Asset Class) 10 Months	NZ Dividend Fund
	Year ended 2020 \$'000	Period ended 2020 \$'000	Period ended 2020 \$'000	Year ended 2020 \$'000
Net profit/(loss)	3,287	22	(94)	(1,576)
<i>Adjustments for:</i>				
Payments for the purchase of investments and derivatives	(253,844)	(553)	(3,706)	(5,720)
Proceeds from sale of investments and derivatives	185,278	1,010	-	3,220
Realised (gain)/loss on investments and derivatives	(515)	34	-	87
Unrealised (gain)/loss on investments and derivatives	1,802	-	201	1,846
Non-cash distributions	(1,244)	(25)	-	-
Accrued interest on term deposits	(1,298)	-	-	-
Increase in receivables	(33)	-	(23)	(6)
Increase in payables	211	-	-	1
Movement in resettled receivables and payables	425	-	-	-
Resettled term deposits interest	423	-	-	-
Net cash flows from operating activities	<u>(65,508)</u>	<u>488</u>	<u>(3,622)</u>	<u>(2,148)</u>

SUPERLIFE INVEST FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR/PERIOD ENDED 31 MARCH 2020

11. Related party transactions

11a. Related parties investments in SuperLife Invest Scheme

The following is a summary of the investments and transactions as at 31 March 2020 relating to SuperLife workplace savings scheme ("SLWS"), SuperLife KiwiSaver scheme ("SLKS") and SuperLife UK pension transfer scheme ("SLUK"), which are schemes managed by the Manager.

	NZ Bonds Fund	NZ Shares Fund	NZ Top 50 Fund	NZ Top 10 Fund	NZ Mid Cap Fund	NZ Property Fund
	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000
Opening balance	-	-	-	-	-	-
Subscriptions from schemes	147,986	112,907	52,958	7,889	9,367	21,438
Redemptions by schemes	(25,458)	(15,307)	(8,011)	(3,941)	(3,574)	(8,235)
Change in value	<u>3,323</u>	<u>(11,533)</u>	<u>(3,787)</u>	<u>164</u>	<u>(886)</u>	<u>(2,253)</u>
Closing balance	125,851	86,067	41,160	4,112	4,907	10,950

	NZ Cash Fund	NZ Cash ETF Fund	SuperLife (Active Multi Asset Class)	NZ Dividend Fund
	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000
Opening balance	-	-	-	-
Subscriptions from schemes	293,361	2,612	-	9,183
Redemptions by schemes	(59,708)	(2,646)	-	(4,249)
Change in value	<u>2,997</u>	<u>34</u>	<u>-</u>	<u>(1,012)</u>
Closing balance	236,650	-	-	3,922

SUPERLIFE INVEST FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR/PERIOD ENDED 31 MARCH 2020

11. Related party transactions (Continued)

11b. Related party holdings

The Funds invest in ETFs managed by Smartshares Limited. As at 31 March 2020, the holdings and transactions are as follows:

	NZ Bonds Fund	NZ Shares Fund	NZ Top 50 Fund	NZ Top 10 Fund	NZ Mid Cap Fund	NZ Property Fund
	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000
Opening balance	-	-	-	-	-	-
Purchases	153,830	126,213	76,216	9,237	13,696	30,567
Sales	(13,414)	(29,981)	(10,183)	(3,660)	(3,233)	(10,047)
Realised/unrealised changes in fair value of investments	(2,857)	(10,095)	(7,099)	128	(1,770)	(3,765)
Closing balance	137,559	86,137	58,934	5,705	8,693	16,755

	NZ Cash Fund	NZ Cash ETF Fund	SuperLife (Active Multi Asset Class)	NZ Dividend Fund
	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000
Opening balance	-	-	-	-
Purchases	249,902	3,017	-	11,421
Sales	(18,317)	(2,983)	-	(3,220)
Realised/unrealised changes in fair value of investments	(1,989)	(34)	-	(1,933)
Closing balance	229,596	-	-	6,268

The distributions received from the ETFs for the year/period ended 31 March 2020 are as follows:

	NZ Bonds Fund	NZ Shares Fund	NZ Top 50 Fund	NZ Top 10 Fund	NZ Mid Cap Fund	NZ Property Fund
	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000
Distributions received	6,592	2,989	1,938	123	300	460

SUPERLIFE INVEST FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR/PERIOD ENDED 31 MARCH 2020**

11. Related party transactions (Continued)

	NZ Cash Fund	NZ Cash ETF Fund	SuperLife (Active Multi Asset Class)	NZ Dividend Fund
	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000
Distributions received	3,075	57	-	353

11c. Manager's fees

The Manager is entitled to receive an administration fee of \$12 per annum for each unitholder and a paper statement fee of \$18 per annum for each unitholder who has chosen to receive statements and other communications in paper form. The Manager also receives an administration fee for arranging insurance cover as agreed between the unitholder and the Manager.

The administration fee, paper statements fee and fixed dollar amount of the insurance administration fee disclosed above are stated net of an income tax deduction applied in calculating the unitholders PIE tax payable. The relevant gross fee which is calculated using the unitholders Prescribed Investor Rate is paid to the Manager.

Fund expenses disclosed in the Statement of Comprehensive Income represent regular fund charges which are a percentage per annum of the fund's net asset value. This includes fees and costs charged by the Supervisor, custodian, administrator, any fee due at the investment level, regulatory and compliance cost. Of the total fund expenses, the Manager receives any remaining amounts due after all fees and costs are paid. In the event that fees and costs of the fund exceeds the regular fund charges, this shortfall will be covered by the Manager.

At 31 March 2020, the total amounts due to or from the Manager are as follows:

	NZ Bonds Fund	NZ Shares Fund	NZ Top 50 Fund	NZ Top 10 Fund	NZ Mid Cap Fund	NZ Property Fund
	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000
Manager's fee - administration fee	4	1	5	-	1	1
Manager's fee - percentage of assets	26	97	43	(2)	(1)	(2)
Manager's fee - percentage of assets - remaining as payable/(receivable) at year/period end	(106)	(18)	(20)	(6)	(10)	(12)

SUPERLIFE INVEST FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR/PERIOD ENDED 31 MARCH 2020

11. Related party transactions (Continued)

	NZ Cash Fund	NZ Cash ETF Fund	SuperLife (Active Multi Asset Class)	NZ Dividend Fund
	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000
Manager's fee - administration fee	14	-	-	1
Manager's fee - percentage of assets	396	2	(14)	2
Manager's fee - percentage of assets - remaining as payable/(receivable) at year/period end	142	-	(14)	(6)

During the year/period ended 31 March 2020, SLWS, SLKS and SLUK were charged the standard fees applicable to all unitholders in the Funds.

11d. Securities lending

In March 2020, the Funds entered into securities lending agreements with various market participants and the Manager. The Funds will earn fifty percent of the total fee earned from the securities lending agreements and the remaining fifty percent will be income due to the Manager. There were fees earned by the Funds and the Manager in the year/period ending 31 March 2020 but these amounts are immaterial.

As at 31 March 2020, no securities of the Funds were on loan to any borrower.

11e. Other related party transactions

The NZ Shares Fund is a substantial shareholder in Wellington Drive Technologies Limited. As at 31 March 2020 NZ Shares Fund held 13,852,563 shares, valued at \$1,232,878. For the year ended 31 March 2020 70,645,000 shares were acquired for value \$16,248,000 and 56,792,000 shares were disposed of for value \$12,641,000. The change in fair value for the year ended 31 March 2020 was \$(2,374,000).

12. Audit fees

	NZ Bonds Fund	NZ Shares Fund	NZ Top 50 Fund	NZ Top 10 Fund	NZ Mid Cap Fund	NZ Property Fund
	Year ended 2020 \$'000	Year ended 2020 \$'000	Year ended 2020 \$'000	Year ended 2020 \$'000	Year ended 2020 \$'000	Year ended 2020 \$'000
Financial statements audit	3	3	3	3	3	3
Control assurance engagement	1	1	1	1	1	1
	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>

SUPERLIFE INVEST FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR/PERIOD ENDED 31 MARCH 2020**

12. Audit fees (Continued)

	NZ Cash Fund	NZ Cash ETF Fund	SuperLife (Active Multi Asset Class) 10 Months	NZ Dividend Fund
	Year ended 2020 \$'000	Period ended 2020 \$'000	Period ended 2020 \$'000	Year ended 2020 \$'000
Financial statements audit	3	3	3	3
Control assurance engagement	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
	<u><u>4</u></u>	<u><u>4</u></u>	<u><u>4</u></u>	<u><u>4</u></u>

The fee paid for the registry compliance audit of the SuperLife Invest Scheme for the year ended 31 March 2020 was \$1,000.

13. Commitments and contingencies

There are no material liabilities, collateral or capital commitments as at 31 March 2020.

14. Subsequent events

Effective 15 July 2020, SuperLife (Active Multi Asset Class) changed its name to Castle Point 5 Oceans Fund.

There have been no further material events after the reporting date that require adjustments to or disclosures in the financial statements.



Independent Auditor's Report

To the unitholders of:

- NZ Bonds Fund
 - NZ Shares Fund
 - NZ Top 50 Fund
 - NZ Top 10 Fund
 - NZ Mid Cap Fund
 - NZ Property Fund
 - NZ Cash Fund
 - NZ Cash ETF Fund
 - SuperLife (Active Multi Asset Class)
 - NZ Dividend Fund
- (Collectively referred to as the "Funds")

Report on the audit of the financial statements

Opinion

In our opinion, the accompanying financial statements of the Funds on pages 2 to 24:

- i. present fairly in all material respects the Funds' financial position as at 31 March 2020 and its financial performance and cash flows for the year ended on that date; and
- ii. comply with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

We have audited the accompanying financial statements which comprise:

- the statement of Financial Position as at 31 March 2020;
- the statements of comprehensive income, changes in net assets attributable to unitholders and cash flows for the year then ended; and
- notes, including a summary of significant accounting policies and other explanatory information.



Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Funds in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our responsibilities under ISAs (NZ) are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

Our firm has also provided stator audit services to Smartshares Limited (the "Manager") and provided controls assurance and registry assurance to the Funds. The provision of these other services has not impaired our



independence as auditor of the Fund. Subject to certain restrictions, partners and employees of our firm may also deal with the Funds on normal terms within the ordinary course of trading activities of the business of the Funds. These matters have not impaired our independence as auditor of the Funds. The firm has no other relationship with, or interest in, the Funds.



Materiality

The scope of our audit was influenced by our application of materiality. Materiality helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole. The materiality for the financial statements as a whole was set with a reference to a benchmark of the Funds' total assets. We chose the benchmark because, in our view, this is a key measure of the Funds' performance.



Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements in the current period. We summarise below those matters and our key audit procedures to address those matters in order that the unitholders as a body may better understand the process by which we arrived at our audit opinion. Our procedures were undertaken in the context of and solely for the purpose of our statutory audit opinion on the financial statements as a whole and we do not express discrete opinions on separate elements of the financial statements

COVID 19

The Covid-19 pandemic has created additional risks, particularly with the valuation of investments, liquidity and going concern. Some investments may have become more difficult to value, as they either experience significant events, or become less liquid and actively traded. Additional disclosures may be required to ensure there is adequate disclosure of changes to fair value levels for securities, liquidity risks, market risks and subsequent events where there are material withdrawals, other material impacts on liquidity and changes to the value of the Funds. While the key audit matter "Valuation and existence of investments", detailed below, the underlying audit risk has increased which impacted the extent and nature of audit evidence that we had to gather.

The key audit matter

How the matter was addressed in our audit

Valuation and existence of investments

Refer to Note 7 of the Funds' financial statements. The Funds' portfolio of investments

makes up majority of total assets. We do not consider these investments to be at high risk of significant misstatement, or be subject to a significant level of judgement. However, due to their materiality in the context of the financial statements as a whole, they are considered to be the area which had the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.

Our audit procedures included:

- documenting and understanding the processes in place to record investment transactions and to value the portfolio. This included evaluating the control environment in place at the administration manager by obtaining and reading a report issued by an independent auditor on the design and operation of those controls to and where necessary performed additional testing of these controls to 31 March.
- agreeing the exit price of the investments to independent third party sources.
- agreeing investment holdings to confirmations received from the administration manager.



The key audit matter

How the matter was addressed in our audit

We did not identify any material differences in relation to the carrying amount of investments.

Other information

The Manager, on behalf of the Funds, are responsible for the other information included in the entity's Annual Report. Other information includes the details and changes to the Fund and other information. Our opinion on the financial statements does not cover any other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Use of this independent auditor's report

This independent auditor's report is made solely to the unitholders as a body. Our audit work has been undertaken so that we might state to the unitholders those matters we are required to state to them in the independent auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the unitholders as a body for our audit work, this independent auditor's report, or any of the opinions we have formed.



Responsibilities of Manager for the financial statements

The Manager, on behalf of the Funds, is responsible for:

- the preparation and fair presentation of the financial statements in accordance with generally accepted accounting practice in New Zealand (being New Zealand Equivalents to International Financial Reporting Standards) and International Financial Reporting Standards;
- implementing necessary internal control to enable the preparation of a set of financial statements that is fairly presented and free from material misstatement, whether due to fraud or error; and
- assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations, or have no realistic alternative but to do so.



Auditor's responsibilities for the audit of the financial statements

Our objective is:

- to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and
- to issue an independent auditor's report that includes our opinion.



Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs NZ will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of these financial statements is located at the External Reporting Board (XRB) website at:

<http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-2/>

This description forms part of our independent auditor's report.

The engagement partner on the audit resulting in this independent auditor's report is Graeme Edwards.

For and on behalf of

A handwritten signature in blue ink that reads 'KPMG'.

KPMG
Wellington

28 September 2020


Certificate Of Completion

Envelope Id: 2E6703DB77BF4E74A4A03C4FD3A2F335	Status: Completed
Subject: Please DocuSign: SuperLife Invest - Financial Statements (part 1).pdf, SuperLife Invest - Finan...	
Source Envelope:	
Document Pages: 106	Signatures: 16
Certificate Pages: 5	Initials: 0
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Envelopeld Stamping: Enabled	Tim Bennett
Time Zone: (UTC+12:00) Auckland, Wellington	NZX Limited
	Level 1, 11 Cable Street
	Wellington, Wellington Central 6011
	tw.bennett@nzx.com
	IP Address: 103.103.41.59

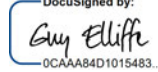
Record Tracking

Status: Original	Holder: Tim Bennett	Location: DocuSign
September 29, 2020 10:55	tw.bennett@nzx.com	

Signer Events

Guy Elliffe

 Director
 Security Level: Email, Account Authentication (None)

Signature


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 Signature Adoption: Pre-selected Style
 Using IP Address: 202.37.51.32

Timestamp

Sent: September 29, 2020 | 11:05
 Viewed: September 29, 2020 | 11:06
 Signed: September 29, 2020 | 11:08

Electronic Record and Signature Disclosure:

Accepted: September 29, 2020 | 11:06
 ID: 0e8b65fa-01f1-4615-ac85-f4c28ece8a7a

Mark Peterson

 CEO - NZX
 Security Level: Email, Account Authentication (None)

DocuSigned by:

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 Signature Adoption: Drawn on Device
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 Signed: September 29, 2020 | 11:32

Electronic Record and Signature Disclosure:

Accepted: September 29, 2020 | 11:32
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In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	September 29, 2020 11:05
Certified Delivered	Security Checked	September 29, 2020 11:32
Signing Complete	Security Checked	September 29, 2020 11:32
Completed	Security Checked	September 29, 2020 11:32

Payment Events	Status	Timestamps
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Electronic Record and Signature Disclosure



SUPERLIFE INVEST FUNDS

PART 2

Asia Pacific Fund
Australian Shares Fund
Australian Top 20 Fund
Australian Financials Fund
Australian Dividend Fund
Australian Property Fund
Australian Mid Cap Fund
Australian Resources Fund

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

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SUPERLIFE INVEST FUNDS

Manager	Smartshares Limited
Registered Office	Level 1 NZX Centre, 11 Cable Street, Wellington 6140, New Zealand
Licensed Supervisor	Public Trust
Administrators	Smartshares Limited (ceased 11 July 2019) BNP Paribas Fund Services Australasia Pty Limited, New Zealand branch (since 12 July 2019)
Custodian	BNP Paribas Fund Services Australasia Pty Limited, New Zealand branch
Auditor	KPMG

CORRESPONDENCE

All correspondence and enquiries to the Manager about the Funds should be addressed to the Manager, Smartshares Limited at the above address.

SUPERLIFE INVEST FUNDS

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020

		Asia Pacific Fund	Australian Shares Fund	Australian Top 20 Fund	Australian Financials Fund
	Note	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000
Income					
Dividends and distributions		174	2,408	138	48
Interest income		-	4	-	-
Net changes in fair value of investments		(193)	(10,770)	(576)	(183)
Other foreign exchange (losses)/gains		-	(147)	-	-
Other income		-	1	-	-
Net income		(19)	(8,504)	(438)	(135)
Expenses					
Fund expenses	11c	2	56	4	-
Total expenses		2	56	4	-
Net profit/(loss)		(17)	(8,448)	(434)	(135)
Other comprehensive income		-	-	-	-
Total comprehensive income/(loss)		(17)	(8,448)	(434)	(135)

The accompanying notes form part of and should be read in conjunction with these financial statements.

SUPERLIFE INVEST FUNDS

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020

	Note	Australian Dividend Fund 2020 \$'000	Australian Property Fund 2020 \$'000	Australian Mid Cap Fund 2020 \$'000	Australian Resources Fund 2020 \$'000
Income					
Dividends and distributions		203	101	750	343
Interest income		-	-	-	-
Net changes in fair value of investments		(637)	(1,450)	(4,831)	(2,157)
Other foreign exchange (losses)/gains		-	-	-	-
Other income		-	-	-	-
Net income		(434)	(1,349)	(4,081)	(1,814)
Expenses					
Fund expenses	11c	1	2	62	4
Total expenses		1	2	62	4
Net profit/(loss)		(433)	(1,347)	(4,019)	(1,810)
Other comprehensive income		-	-	-	-
Total comprehensive income/(loss)		(433)	(1,347)	(4,019)	(1,810)

The accompanying notes form part of and should be read in conjunction with these financial statements.

SUPERLIFE INVEST FUNDS

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
FOR THE YEAR ENDED 31 MARCH 2020

	Asia Pacific Fund	Australian Shares Fund	Australian Top 20 Fund	Australian Financials Fund
	2020	2020	2020	2020
Note	\$'000	\$'000	\$'000	\$'000
Opening value	-	-	-	-
Total comprehensive income/(loss)	(17)	(8,448)	(434)	(135)
Subscriptions	6,527	58,616	5,490	2,042
Redemptions	(2,066)	(8,748)	(993)	(1,124)
Portfolio Investment Entity Tax	3	3	3	-
	<u>4,464</u>	<u>49,871</u>	<u>4,500</u>	<u>918</u>
Closing value	<u><u>4,447</u></u>	<u><u>41,423</u></u>	<u><u>4,066</u></u>	<u><u>783</u></u>

The accompanying notes form part of and should be read in conjunction with these financial statements.

SUPERLIFE INVEST FUNDS

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
FOR THE YEAR ENDED 31 MARCH 2020

	Australian Dividend Fund	Australian Property Fund	Australian Mid Cap Fund	Australian Resources Fund
	2020	2020	2020	2020
Note	\$'000	\$'000	\$'000	\$'000
Opening value	-	-	-	-
Total comprehensive income/(loss)	(433)	(1,347)	(4,019)	(1,810)
Subscriptions	2,990	6,838	26,872	11,922
Redemptions	(1,044)	(2,546)	(2,589)	(4,934)
Portfolio Investment Entity Tax	3	1	1	3
	<u>1,949</u>	<u>4,293</u>	<u>24,284</u>	<u>6,991</u>
Closing value	<u><u>1,516</u></u>	<u><u>2,946</u></u>	<u><u>20,265</u></u>	<u><u>5,181</u></u>


The accompanying notes form part of and should be read in conjunction with these financial statements.

SUPERLIFE INVEST FUNDS


STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Note	Asia Pacific Fund 2020 \$'000	Australian Shares Fund 2020 \$'000	Australian Top 20 Fund 2020 \$'000	Australian Financials Fund 2020 \$'000
Assets					
Cash and cash equivalents		-	1,411	-	-
Other receivables		5	46	5	3
Outstanding sales		-	564	-	-
Derivative financial instruments		-	1,005	-	-
Investments at fair value through profit or loss	7	4,440	41,415	4,061	781
Portfolio Investment Entity tax receivable		3	-	2	-
Total assets		4,448	44,441	4,068	784
Liabilities					
Derivative financial instruments		-	(350)	-	-
Fund expenses payable	11c	(1)	(12)	(2)	(1)
Outstanding purchases		-	(2,655)	-	-
Portfolio Investment Entity tax payable		-	(1)	-	-
Total liabilities		(1)	(3,018)	(2)	(1)
Net assets of your Fund		4,447	41,423	4,066	783

For and on behalf of the Manager, Smartshares Limited, which authorised the issue of the financial statements on 28 September 2020.

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Director

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Director

The accompanying notes form part of and should be read in conjunction with these financial statements.

SUPERLIFE INVEST FUNDS

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Note	Australian Dividend Fund 2020 \$'000	Australian Property Fund 2020 \$'000	Australian Mid Cap Fund 2020 \$'000	Australian Resources Fund 2020 \$'000
Assets					
Cash and cash equivalents		-	-	-	-
Other receivables		3	4	39	5
Outstanding sales		-	-	-	-
Derivative financial instruments		-	-	-	-
Investments at fair value through profit or loss	7	1,511	2,941	20,231	5,174
Portfolio Investment Entity tax receivable		<u>3</u>	<u>1</u>	<u>1</u>	<u>3</u>
Total assets		1,517	2,946	20,271	5,182
Liabilities					
Derivative financial instruments		-	-	-	-
Fund expenses payable	11c	(1)	-	(6)	(1)
Outstanding purchases		-	-	-	-
Portfolio Investment Entity tax payable		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities		(1)	-	(6)	(1)
Net assets of your Fund		<u>1,516</u>	<u>2,946</u>	<u>20,265</u>	<u>5,181</u>

For and on behalf of the Manager, Smartshares Limited, which authorised the issue of the financial statements on 28 September 2020.

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Guy Elliffe

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Director

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Director

The accompanying notes form part of and should be read in conjunction with these financial statements.

SUPERLIFE INVEST FUNDS

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

		Asia Pacific Fund	Australian Shares Fund	Australian Top 20 Fund	Australian Financials Fund
	Note	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000
Cash flows from operating activities					
Dividends and distributions received		54	1,213	92	36
Interest income received		-	4	-	-
Sale of investments		2,247	22,959	1,060	1,489
Other income received		-	1	-	-
Fund expenses paid		(2)	18	1	(2)
Purchase of investments		(2,091)	(21,504)	(2,590)	(1,521)
Net operating cash flows	10	<u>208</u>	<u>2,691</u>	<u>(1,437)</u>	<u>2</u>
Cash flows from financial activities					
Subscriptions		1,858	7,471	2,429	1,122
Redemptions		(2,066)	(8,748)	(993)	(1,124)
Portfolio Investment Entity tax (paid)/received		-	(3)	1	-
Net financial cash flows		<u>(208)</u>	<u>(1,280)</u>	<u>1,437</u>	<u>(2)</u>
Net increase/(decrease) in cash and cash equivalents held					
Cash and cash equivalents at the beginning of the year		-	1,411	-	-
Cash and cash equivalents at the end of the year		<u>-</u>	<u>1,411</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents comprise of:					
Cash at bank		-	1,411	-	-
Cash and cash equivalents at the end of the year		<u>-</u>	<u>1,411</u>	<u>-</u>	<u>-</u>

The accompanying notes form part of and should be read in conjunction with these financial statements.

SUPERLIFE INVEST FUNDS

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

	Note	Australian Dividend Fund 2020 \$'000	Australian Property Fund 2020 \$'000	Australian Mid Cap Fund 2020 \$'000	Australian Resources Fund 2020 \$'000
Cash flows from operating activities					
Dividends and distributions received		41	101	422	152
Interest income received		-	-	-	-
Sale of investments		1,163	2,358	3,216	5,334
Other income received		-	-	-	-
Fund expenses paid		(1)	(2)	29	-
Purchase of investments		(2,045)	(5,276)	(5,384)	(4,763)
Net operating cash flows	10	(842)	(2,819)	(1,717)	723
Cash flows from financial activities					
Subscriptions		1,888	5,365	4,306	4,211
Redemptions		(1,044)	(2,546)	(2,589)	(4,934)
Portfolio Investment Entity tax (paid)/received		(2)	-	-	-
Net financial cash flows		842	2,819	1,717	(723)
Net increase/(decrease) in cash and cash equivalents held		-	-	-	-
Cash and cash equivalents at the beginning of the year		-	-	-	-
Cash and cash equivalents at the end of the year		-	-	-	-
Cash and cash equivalents comprise of:					
Cash at bank		-	-	-	-
Cash and cash equivalents at the end of the year		-	-	-	-

The accompanying notes form part of and should be read in conjunction with these financial statements.

SUPERLIFE INVEST FUNDS**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020****1. General information**

The SuperLife Invest Funds are funds offered under a registered managed investment scheme called 'SuperLife Invest' (the "Scheme"). The Scheme was registered in New Zealand and established under the Financial Markets Conduct Act 2013 (the "FMCA 2013") for the principal purpose of providing investors access to a range of investment markets. The Scheme's registration number is SCH 10765. It is governed by the SuperLife Invest Master Trust Deed dated 14 September 2016 and as further amended and restated on 15 July 2019 (the "Trust Deed"). Each Fund in the Scheme is established as a separate and distinct trust fund.

During the year ended 31 March 2020, there were 40 funds under the Scheme and the funds' financial statements are divided into 6 sets. These financial statements are for SuperLife Invest Funds Part 2 and for the following funds (each a fund, collectively the "Funds"):

Asia Pacific Fund
Australian Shares Fund
Australian Top 20 Fund
Australian Financials Fund
Australian Dividend Fund
Australian Property Fund
Australian Mid Cap Fund
Australian Resources Fund

2. Reporting period

These are the Funds' first financial statements and are for the year 1 April 2019 to 31 March 2020.

3. Basis of preparation

The financial statements of the Funds have been drawn up in accordance with the Trust Deed and comply with the requirements of the FMCA 2013, New Zealand Generally Accepted Accounting Practice as defined in the Financial Reporting Act 2013, New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") and International Financial Reporting Standards ("IFRS"). The accounting policies have been consistently applied throughout the reporting period.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss. All amounts are in New Zealand Dollars (NZD), rounded to the nearest thousand. Where specific amounts are referred to in the note wording, the amounts are rounded to the nearest dollar. The NZD is also the functional currency of the Funds.

4. Critical accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates that affect the reported amounts and the application of accounting policies. It also requires the Manager to exercise its judgement in the process of applying the accounting policies of the Funds.

Discussion of the critical accounting estimates and judgements used is included in note 7 on financial instruments at fair value through profit or loss.

5. Summary of significant accounting policies**(a) Financial Instruments*****Classification***

The Funds classify their financial assets based on both the Funds' business model for managing those financial assets and the contractual cash flow characteristics of the financial assets in accordance with NZ IFRS 9: Financial Instruments.

(i) Financial assets and financial liabilities at fair value through profit or loss

These include investments at fair value through profit and loss and derivative instruments. The Funds mainly evaluate the information about these financial assets on a fair value basis together with other related financial information to assess the assets' performance and to make decisions.

(ii) Financial assets at amortised cost

These include cash and cash equivalents and receivables.

SUPERLIFE INVEST FUNDS**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020****5. Summary of significant accounting policies (Continued)**

(iii) Financial liabilities at amortised cost

These represent amounts recognised to be paid in the future for goods and services received. These include outstanding settlements and other accrued expenses.

Recognition, derecognition and measurement

Financial assets and financial liabilities are recognised on the date the fund becomes a party to the contractual agreement (trade date).

Financial assets are derecognised when the right to receive cash flows from the financial assets has expired or the fund has transferred substantially all of the risks and rewards of ownership. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expired.

Financial assets and financial liabilities held at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the Statement of Comprehensive Income. Subsequent to initial recognition, these are measured at fair value. Gains or losses arising from changes in the fair value of the financial instruments designated at fair value through profit or loss are presented in the Statement of Comprehensive Income within 'net changes in fair value of investments' in the period in which they arise.

Financial assets at amortised cost are measured at amortised cost, using the effective interest method, less an allowance for impairment based on the expected credit losses (ECL).

Financial liabilities at amortised cost are measured at amortised cost using the effective interest method.

Fair value determination

The fair value of financial instruments traded is based on quoted market prices at the reporting date. The quoted market price used for financial assets by the Funds is the last traded price.

For managed investment trusts where there is no active market the fair value is determined by the realisable value of the investments as advised by the investment managers based on the underlying market value on the reporting date.

For all other financial instruments not traded in an active market the fair value is determined using valuation techniques which include the use of recent comparable arms-length market transactions, reference to the current market value of another similar financial instrument, discounted cash flow analysis and other valuation models making the maximum use of market inputs and keeping judgemental inputs to a minimum.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of a fund or its counterparty.

(b) Cash and cash equivalents

Cash and cash equivalents ("Cash") means cash at bank, demand deposits and other highly liquid investments in which the Funds may invest as part of their day-to-day cash management. Cash does not include accounts receivables or payables, or any borrowings subject to a term facility.

(c) Foreign currency translation

Foreign currency transactions are translated into the functional currency (NZD) using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses arising from translation are included in the Statement of Comprehensive Income. Foreign exchange gains and losses relating to financial assets and financial liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within 'net changes in fair value of investments'.

SUPERLIFE INVEST FUNDS**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020****5. Summary of significant accounting policies (Continued)****(d) Dividends and distributions income**

Dividends and distributions income are recognised when the right to receive payment is established.

(e) Interest income

Interest income is recognised as the interest accrues using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

(f) Units

The Funds were unitised on 15 July 2019, refer to note 9.

The Funds issue units, which provide the holder with a beneficial interest in the Funds. The units are issued and redeemed based on the Funds' net asset value per unit at the time of issue or redemption, which is calculated by dividing the net assets attributable to the unitholders by the total number of outstanding units.

The units meet the definition of puttable instruments and are classified as equity instruments under NZ IAS 32 Financial Instruments: Presentation.

(g) Fees and expenses

The Funds incur fees and expenses from a range of services received from various service providers, including reimbursable expenses allowed by the Trust Deed. Fees are accrued as services are rendered.

(h) Taxation

Each of the Funds is a Portfolio Investment Entity ("PIE"). Under the PIE regime, income is effectively taxed in the hands of the unitholders and therefore the Funds do not have an income tax liability on their accounts.

Taxable income is attributed to unitholders in accordance with their proportionate interest in the Funds. Income attributed to each unitholder is taxed at the unitholder's Prescribed Investor Rate which is capped at 28%. The tax balance included in the Statement of Financial Position represents PIE tax receivable or payable on behalf of the unitholders.

(i) Goods and services tax (GST)

The Funds are not registered for GST and consequently all components of the financial statements are stated inclusive of GST where appropriate.

(j) Securities lending

Certain funds enter into securities lending transactions whereby they lend securities, recognised on the Statement of Financial Position, but retain either all or substantially all of the risk and rewards of the lent securities. As all or substantially all risks and rewards are retained, the lent securities are not derecognised.

(k) Insurance

Insurance claim proceeds in respect of life, medical and disability insurance, are shown as insurance proceeds received from insurers when the money is received. Payments to the members or beneficiaries are shown as benefit payments when the insurance proceeds are paid to the unitholders or beneficiaries.

(l) Changes in accounting policies and accounting standards adopted during the year

A number of new standards are effective from 1 April 2019, including NZ IFRS 16 but they do not have any material effect on the fund's financial statements.

(m) Issued but not yet effective accounting standards

A number of accounting standards have been issued or revised that are not yet effective as at 31 March 2020, and were identified as not applicable to the Funds.

SUPERLIFE INVEST FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

6. Risk

The Funds' investment activities directly expose them to market risk (market price risk and currency risk), credit risk, liquidity risk and securities lending risk. Additionally, the Funds are also indirectly exposed to a variety of financial risks including credit, currency, interest rate, market price and liquidity risks through the holding of the investments in managed investment trusts.

The financial risk management disclosures have been prepared on the basis of the Fund's direct investments and not on a full look through basis for the investments held indirectly through the managed investment trusts.

6a Market risk

Market price risk is the risk of gains or losses from changes in the market price of underlying investments. Currency risk is the risk of gains or losses or changes in the New Zealand dollar value due to changes in foreign exchange rates. Currency risk may be managed by using derivatives to hedge the risk.

An analysis of the financial risks arising from the direct investments of the Funds is set out below:

Market price risk

Equity securities held are exposed to market price risk arising from uncertainties about future prices of financial instruments. Because the Funds invest in exchange traded funds (ETFs) the value of the Funds will move up and down with the market.

A 10% annual increase/decrease in equity prices is considered to be a reasonably likely percentage change based on the historical performance of the underlying investments and represents the exposure to market price risk for the year ended 31 March 2020.

A 10% increase/decrease in prices would have increased/decreased net profit and unitholders funds as shown in the table below:

	Asia Pacific Fund	Australian Shares Fund	Australian Top 20 Fund	Australian Financials Fund
	2020	2020	2020	2020
	\$'000	\$'000	\$'000	\$'000
Impact of 10% change in market prices +/-	444	4,142	406	78

	Australian Dividend Fund	Australian Property Fund	Australian Mid Cap Fund	Australian Resources Fund
	2020	2020	2020	2020
	\$'000	\$'000	\$'000	\$'000
Impact of 10% change in market prices +/-	151	294	2,023	517

SUPERLIFE INVEST FUNDS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**6. Risk (Continued)***Currency risk*

Funds holding foreign investments have exposure to currency risk.

A 10% strengthening/weakening of the New Zealand dollar ("NZD") against the Australian dollar ("AUD") is considered to be a reasonably likely percentage change and represents the exposure to currency price risk during the year ended 31 March 2020.

A 10% increase/decrease in the value of the NZD would have an adverse/favourable impact on the value of the Funds' net assets as follows:

	Asia Pacific Fund	Australian Shares Fund	Australian Top 20 Fund	Australian Financials Fund
	2020	2020	2020	2020
	\$'000	\$'000	\$'000	\$'000
AUD	-	2,953	-	-

	Australian Dividend Fund	Australian Property Fund	Australian Mid Cap Fund	Australian Resources Fund
	2020	2020	2020	2020
	\$'000	\$'000	\$'000	\$'000
AUD	-	-	-	-

6b Credit risk

The Funds are exposed to the potential risk of financial loss resulting from the failure of counterparties to fully honour the terms of conditions of a contract with the Funds. The maximum credit risk of financial instruments is considered to be their carrying value. Financial instruments that subject the Funds to credit risk consist primarily of cash, receivables and derivatives. The analysis below summarises the credit quality of the Funds' exposure rated externally by Standard & Poor's.

	Asia Pacific Fund	Australian Shares Fund	Australian Top 20 Fund	Australian Financials Fund
	2020	2020	2020	2020
	\$'000	\$'000	\$'000	\$'000
AAA to AA-	-	2,416	-	-

SUPERLIFE INVEST FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

6. Risk (Continued)

	Australian Dividend Fund 2020 \$'000	Australian Property Fund 2020 \$'000	Australian Mid Cap Fund 2020 \$'000	Australian Resources Fund 2020 \$'000
AAA to AA-	-	-	-	-

6c Liquidity risk

In accordance with the Funds' policy, the Manager monitors the Funds' liquidity position on a daily basis. Liquidity management is designed to ensure that the Funds have the ability to generate sufficient cash in a timely manner to meet their financial commitments and normal levels of redemptions. The Manager regularly monitors market volatility and redemption levels to establish each fund's appropriate liquidity level. In the event of abnormal levels of redemptions, timing of payments may depend on the ability of the particular fund to realise its underlying investments on a timely basis.

The Funds continue to maintain appropriate levels of liquidity and meet their normal redemption obligations in the rapidly changing COVID-19 environment.

6d Securities lending risk

A number of possible risks arise from the Funds' securities lending program. These include, but are not limited to, the risk that a borrower of securities fails to deliver equivalent securities on termination of a loan and the risk that the lending contract will for whatever reason not be legally enforceable.

In order to limit the Funds' exposure to risk that may arise from securities lending, there is a limitation on the value of securities that a fund may lend at any point in time and a requirement that collateral be held by the custodian.

As at 31 March 2020, no securities of the Funds were on loan to any borrower.

7. Investments

Financial instruments measured at fair value are categorised across the following 3 levels based on the degree to which their fair value is observable, Level 1 - Fair value measurements are derived from quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 - Fair value measurements are derived from inputs other than quoted prices included within Level 1 that are observable either directly or indirectly; Level 3 - Fair value measurements are derived from valuation methods that include inputs that are not based on observable market data.

The fair value for investments in underlying ETFs is based on their last traded price and defined as Level 1. Forward foreign exchange contracts are marked to market at the currency forward exchange rate at the reporting date for contracts with similar maturity and risk profiles and categorised as Level 2.

There were no transfers between levels during the year ended 31 March 2020.

The COVID-19 outbreak which was declared a global pandemic by the World Health Organisation in March 2020 caused widespread uncertainty across global economies and the market impact of this is reflected in the value of the investments disclosed in the financial statements as at 31 March 2020. Following the year ended 31 March 2020, the value of the investments have shown evidence of recovery.

There was no impact on the categorisation of investments held in accordance with the fair value hierarchy as at 31 March 2020 and this remains as disclosed above.

SUPERLIFE INVEST FUNDS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**8. Resettlements**

Effective 11:59pm on 31 March 2019 the Funds received assets and liabilities as a result of the resettlement of the SuperLife Invest Managed Investment Scheme into 37 distinct segregated funds (standalone trusts). The value of the resettled assets and liabilities for each of the Funds included in the financial statements are presented in the table below:

	Asia Pacific Fund	Australian Shares Fund	Australian Top 20 Fund	Australian Financials Fund
	2020	2020	2020	2020
	\$'000	\$'000	\$'000	\$'000
Investments at fair value through profit or loss	4,669	51,157	3,061	920
Cash and cash equivalents	-	227	2	-
Receivables	2	16	1	1
Payables	(2)	(28)	(2)	-
	<u>4,669</u>	<u>51,372</u>	<u>3,062</u>	<u>921</u>

	Australian Dividend Fund	Australian Property Fund	Australian Mid Cap Fund	Australian Resources Fund
	2020	2020	2020	2020
	\$'000	\$'000	\$'000	\$'000
Investments at fair value through profit or loss	1,104	1,473	22,566	7,711
Cash and cash equivalents	2	-	2	-
Receivables	1	1	10	3
Payables	(2)	-	(10)	(3)
	<u>1,105</u>	<u>1,474</u>	<u>22,568</u>	<u>7,711</u>

9. Units on issue ('000 units)

	Asia Pacific Fund	Australian Shares Fund	Australian Top 20 Fund	Australian Financials Fund
	2020	2020	2020	2020
	Units	Units	Units	Units
	'000	'000	'000	'000
Opening balance	-	-	-	-
Units issued due to Funds unitisation on 15 July 2019	4,899	54,452	3,868	1,111
Subscriptions from unitholders	1,547	7,859	1,888	1,090
Redemptions by unitholders	(1,851)	(7,933)	(798)	(1,110)
Closing balance	<u><u>4,595</u></u>	<u><u>54,378</u></u>	<u><u>4,958</u></u>	<u><u>1,091</u></u>

SUPERLIFE INVEST FUNDS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

9. Units on issue ('000 units) (Continued)

	Australian Dividend Fund	Australian Property Fund	Australian Mid Cap Fund	Australian Resources Fund
	2020 Units '000	2020 Units '000	2020 Units '000	2020 Units '000
Opening balance	-	-	-	-
Units issued due to Funds unitisation on 15 July 2019	1,495	2,786	25,132	8,948
Subscriptions from unitholders	1,538	4,261	4,250	3,412
Redemptions by unitholders	(1,024)	(2,645)	(2,383)	(5,089)
Closing balance	2,009	4,402	26,999	7,271

10. Reconciliation of profit/(loss) to net cash flows from operating activities

	Asia Pacific Fund	Australian Shares Fund	Australian Top 20 Fund	Australian Financials Fund
	2020 S'000	2020 S'000	2020 S'000	2020 S'000
Net profit/(loss)	(17)	(8,448)	(434)	(135)
<i>Adjustments for:</i>				
Payments for the purchase of investments and derivatives	(2,091)	(21,504)	(2,590)	(1,521)
Proceeds from sale of investments and derivatives	2,247	22,959	1,060	1,489
Realised (gain)/loss on investments and derivatives	(1)	986	(21)	28
Unrealised (gain)/loss on investments and derivatives	194	9,784	597	155
Foreign exchange (gain)/loss	-	147	-	-
Non-cash distributions	(120)	(1,195)	(46)	(12)
Increase in receivables	(5)	(46)	(5)	(3)
Increase in payables	1	12	2	1
Movement in resettled receivables and payables	-	(4)	-	-
Net cash flows from operating activities	208	2,691	(1,437)	2

SUPERLIFE INVEST FUNDS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

10. Reconciliation of profit/(loss) to net cash flows from operating activities (Continued)

	Australian Dividend Fund	Australian Property Fund	Australian Mid Cap Fund	Australian Resources Fund
	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000
Net profit/(loss)	(433)	(1,347)	(4,019)	(1,810)
<i>Adjustments for:</i>				
Payments for the purchase of investments and derivatives	(2,045)	(5,276)	(5,384)	(4,763)
Proceeds from sale of investments and derivatives	1,163	2,358	3,216	5,334
Realised (gain)/loss on investments and derivatives	58	164	(90)	290
Unrealised (gain)/loss on investments and derivatives	579	1,286	4,921	1,867
Foreign exchange (gain)/loss	-	-	-	-
Non-cash distributions	(162)	-	(328)	(191)
Increase in receivables	(3)	(4)	(39)	(5)
Increase in payables	1	-	6	1
Movement in resettled receivables and payables	-	-	-	-
Net cash flows from operating activities	<u>(842)</u>	<u>(2,819)</u>	<u>(1,717)</u>	<u>723</u>

SUPERLIFE INVEST FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

11. Related party transactions

11a. Related parties investment in SuperLife Invest Scheme

The following is a summary of the investments and transactions as at 31 March 2020 relating to SuperLife workplace savings scheme ("SLWS"), SuperLife KiwiSaver scheme ("SLKS") and SuperLife UK pension transfer scheme ("SLUK"), which are schemes managed by the Manager.

	Asia Pacific Fund	Australian Shares Fund	Australian Top 20 Fund	Australian Financials Fund
	2020	2020	2020	2020
	\$'000	\$'000	\$'000	\$'000
Opening balance	-	-	-	-
Subscriptions from schemes	4,594	56,044	3,210	1,872
Redemptions by schemes	(1,420)	(7,528)	(541)	(1,054)
Change in value	(105)	(9,311)	(369)	(130)
Closing balance	3,069	39,205	2,300	688

	Australian Dividend Fund	Australian Property Fund	Australian Mid Cap Fund	Australian Resources Fund
	2020	2020	2020	2020
	\$'000	\$'000	\$'000	\$'000
Opening balance	-	-	-	-
Subscriptions from schemes	2,171	4,785	25,592	10,018
Redemptions by schemes	(984)	(1,982)	(2,371)	(4,394)
Change in value	(292)	(906)	(4,443)	(1,489)
Closing balance	895	1,897	18,778	4,135

SUPERLIFE INVEST FUNDS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

11. Related party transactions (Continued)

11b. Related party holdings

The Funds invest in ETFs managed by Smartshares Limited. As at 31 March 2020, the holdings and transactions are as follows:

	Asia Pacific Fund	Australian Shares Fund	Australian Top 20 Fund	Australian Financials Fund
	2020	2020	2020	2020
	\$'000	\$'000	\$'000	\$'000
Opening balance	-	-	-	-
Purchases	6,880	76,364	5,697	2,453
Sales	(2,247)	(23,734)	(1,060)	(1,489)
Realised/unrealised changes in fair value of investments	(193)	(11,215)	(576)	(183)
Closing balance	4,440	41,415	4,061	781

	Australian Dividend Fund	Australian Property Fund	Australian Mid Cap Fund	Australian Resources Fund
	2020	2020	2020	2020
	\$'000	\$'000	\$'000	\$'000
Opening balance	-	-	-	-
Purchases	3,311	6,749	28,278	12,665
Sales	(1,163)	(2,358)	(3,216)	(5,334)
Realised/unrealised changes in fair value of investments	(637)	(1,450)	(4,831)	(2,157)
Closing balance	1,511	2,941	20,231	5,174

The distributions received from the ETFs for the year end 31 March 2020 are as follows:

	Asia Pacific Fund	Australian Shares Fund	Australian Top 20 Fund	Australian Financials Fund
	2020	2020	2020	2020
	\$'000	\$'000	\$'000	\$'000
Distributions received	174	2,408	138	48

SUPERLIFE INVEST FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

11. Related party transactions (Continued)

	Australian Dividend Fund 2020 \$'000	Australian Property Fund 2020 \$'000	Australian Mid Cap Fund 2020 \$'000	Australian Resources Fund 2020 \$'000
Distributions received	203	101	750	343

11c. Manager's fees

The Manager is entitled to receive an administration fee of \$12 per annum for each unitholder and a paper statement fee of \$18 per annum for each unitholder who has chosen to receive statements and other communications in paper form. The Manager also receives an administration fee for arranging insurance cover as agreed between the unitholder and the Manager.

The administration fee, paper statements fee and fixed dollar amount of the insurance administration fee disclosed above are stated net of an income tax deduction applied in calculating the unitholders PIE tax payable. The relevant gross fee which is calculated using the unitholders Prescribed Investor Rate is paid to the Manager.

Fund expenses disclosed in the Statement of Comprehensive Income represent regular fund charges which are a percentage per annum of the fund's net asset value. This includes fees and costs charged by the Supervisor, custodian, administrator, any fee due at the investment level, regulatory and compliance cost. Of the total fund expenses, the Manager receives any remaining amounts due after all fees and costs are paid. In the event that fees and costs of the fund exceeds the regular fund charges, this shortfall will be covered by the Manager.

As at 31 March 2020, the total amounts due to or from the Manager are as follows:

	Asia Pacific Fund 2020 \$'000	Australian Shares Fund 2020 \$'000	Australian Top 20 Fund 2020 \$'000	Australian Financials Fund 2020 \$'000
Manager's fee - administration fee	-	-	-	-
Manager's fee - percentage of assets	2	5	-	-
Manager's fee - percentage of assets - remaining as payable/(receivable) at year end	5	(46)	(5)	(1)

	Australian Dividend Fund 2020 \$'000	Australian Property Fund 2020 \$'000	Australian Mid Cap Fund 2020 \$'000	Australian Resources Fund 2020 \$'000
Manager's fee - administration fee	-	-	-	-
Manager's fee - percentage of assets	-	-	(19)	4
Manager's fee - percentage of assets - remaining as payable/(receivable) at year end	(3)	(4)	(39)	(5)

SUPERLIFE INVEST FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

11. Related party transactions (Continued)

During the year ended 31 March 2020, SLWS, SLKS and SLUK were charged the standard fees applicable to all unitholder in the Funds.

11d. Securities lending

In March 2020, the Funds entered into securities lending agreements with various market participants and the Manager. The Funds will earn fifty percent of the total fee earned from the securities lending agreements and the remaining fifty percent will be income due to the Manager. There were no fees earned by the Funds or the Manager for the year ended 31 March 2020.

As at 31 March 2020, no securities of the Funds were on loan to any borrower.

12. Audit fees

	Asia Pacific Fund 2020 \$'000	Australian Shares Fund 2020 \$'000	Australian Top 20 Fund 2020 \$'000	Australian Financials Fund 2020 \$'000
Financial statements audit	3	3	3	3
Control assurance engagement	1	1	1	1
	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>

	Australian Dividend Fund 2020 \$'000	Australian Property Fund 2020 \$'000	Australian Mid Cap Fund 2020 \$'000	Australian Resources Fund 2020 \$'000
Financial statements audit	3	3	3	3
Control assurance engagement	1	1	1	1
	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>

The fee paid for the registry compliance audit of the SuperLife Invest Scheme for the year ended 31 March 2020 was \$1,000.

13. Commitments and contingencies

There are no material liabilities, collateral or capital commitments as at 31 March 2020.

14. Subsequent events

There have been no further material events after the reporting date that require adjustments to or disclosures in the financial statements.



Independent Auditor's Report

To the unitholders of:

- Asia Pacific Fund
- Australian Shares Fund
- Australian Top 20 Fund
- Australian Financials Fund
- Australian Dividend Fund
- Australian Property Fund
- Australian Mid Cap Fund
- Australian Resources Fund

(Collectively referred to as the "Funds")

Report on the audit of the financial statements

Opinion

In our opinion, the accompanying financial statements of the Funds on pages 2 to 23:

- i. present fairly in all material respects the Funds' financial position as at 31 March 2020 and its financial performance and cash flows for the year ended on that date; and
- ii. comply with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

We have audited the accompanying financial statements which comprise:

- the statement of financial position as at 31 March 2020;
- the statements of comprehensive income, changes in net assets attributable to unitholders and cash flows for the year then ended; and
- notes, including a summary of significant accounting policies and other explanatory information.



Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Funds in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our responsibilities under ISAs (NZ) are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

Our firm has also provided statutory audit services to Smartshares Limited (the "Manager") and provided controls assurance and registry assurance to the Funds. The provision of these other services has not impaired our independence as auditor of the Fund. Subject to certain restrictions, partners and employees of our firm may also deal with the Funds on normal terms within the ordinary course of trading activities of the business of the Funds.



These matters have not impaired our independence as auditor of the Funds. The firm has no other relationship with, or interest in, the Funds.

Materiality

The scope of our audit was influenced by our application of materiality. Materiality helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole. The materiality for the financial statements as a whole was set with a reference to a benchmark of the Funds' total assets. We chose the benchmark because, in our view, this is a key measure of the Funds' performance.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements in the current period. We summarise below those matters and our key audit procedures to address those matters in order that the unitholders as a body may better understand the process by which we arrived at our audit opinion. Our procedures were undertaken in the context of and solely for the purpose of our statutory audit opinion on the financial statements as a whole and we do not express discrete opinions on separate elements of the financial statements

COVID 19

The Covid-19 pandemic has created additional risks, particularly with the valuation of investments, liquidity and going concern. Some investments may have become more difficult to value, as they either experience significant events, or become less liquid and actively traded. Additional disclosures may be required to ensure there is adequate disclosure of changes to fair value levels for securities, liquidity risks, market risks and subsequent events where there are material withdrawals, other material impacts on liquidity and changes to the value of the Funds. While the key audit matter "Valuation and existence of investments", detailed below, the underlying audit risk has increased which impacted the extent and nature of audit evidence that we had to gather.

The key audit matter

How the matter was addressed in our audit

Valuation and existence of investments

Refer to Note 7 of the Funds' financial statements. The Funds' portfolio of investments

makes up majority of total assets. We do not consider these investments to be at high risk of significant misstatement, or be subject to a significant level of judgement. However, due to their materiality in the context of the financial statements as a whole, they are considered to be the area which had the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.

Our audit procedures included:

- documenting and understanding the processes in place to record investment transactions and to value the portfolio. This included evaluating the control environment in place at the administration manager by obtaining and reading a report issued by an independent auditor on the design and operation of those controls and where necessary performed additional testing of these controls to 31 March.
- agreeing the exit price of the investments to independent third party sources.
- agreeing investment holdings to confirmations received from the administration manager.

We did not identify any material differences in relation to the carrying amount of investments.

Other information

The Manager, on behalf of the Funds, are responsible for the other information included in the entity's Annual Report. Other information includes the details and changes to the Fund and other information. Our opinion on the financial statements does not cover any other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Use of this independent auditor's report

This independent auditor's report is made solely to the unitholders as a body. Our audit work has been undertaken so that we might state to the unitholders those matters we are required to state to them in the independent auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the unitholders as a body for our audit work, this independent auditor's report, or any of the opinions we have formed.

Responsibilities of Manager for the financial statements

The Manager, on behalf of the Funds, is responsible for:

- the preparation and fair presentation of the financial statements in accordance with generally accepted accounting practice in New Zealand (being New Zealand Equivalents to International Financial Reporting Standards) and International Financial Reporting Standards;
- implementing necessary internal control to enable the preparation of a set of financial statements that is fairly presented and free from material misstatement, whether due to fraud or error; and
- assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objective is:

- to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and
- to issue an independent auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs NZ will always detect a material misstatement when it exists.



Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of these financial statements is located at the External Reporting Board (XRB) website at:

<http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-2/>

This description forms part of our independent auditor's report.

The engagement partner on the audit resulting in this independent auditor's report is Graeme Edwards.

For and on behalf of

A handwritten signature of the KPMG firm, written in blue ink. The signature is stylized and appears to be 'KPMG'.

KPMG
Wellington

28 September 2020


Certificate Of Completion

Envelope Id: 2E6703DB77BF4E74A4A03C4FD3A2F335	Status: Completed
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Document Pages: 106	Signatures: 16
Certificate Pages: 5	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Enabled	Tim Bennett
Time Zone: (UTC+12:00) Auckland, Wellington	NZX Limited
	Level 1, 11 Cable Street
	Wellington, Wellington Central 6011
	tw.bennett@nzx.com
	IP Address: 103.103.41.59

Record Tracking

Status: Original	Holder: Tim Bennett	Location: DocuSign
September 29, 2020 10:55	tw.bennett@nzx.com	

Signer Events

Guy Elliffe

 Director
 Security Level: Email, Account Authentication (None)

Signature

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Timestamp

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 Signed: September 29, 2020 | 11:08

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Accepted: September 29, 2020 | 11:06
 ID: 0e8b65fa-01f1-4615-ac85-f4c28ece8a7a

Mark Peterson

 CEO - NZX
 Security Level: Email, Account Authentication (None)

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 Signed: September 29, 2020 | 11:32

Electronic Record and Signature Disclosure:

Accepted: September 29, 2020 | 11:32
 ID: b391a660-2b03-4dce-91ff-564cd468d73e

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	September 29, 2020 11:05
Certified Delivered	Security Checked	September 29, 2020 11:32
Signing Complete	Security Checked	September 29, 2020 11:32
Completed	Security Checked	September 29, 2020 11:32

Payment Events	Status	Timestamps
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Electronic Record and Signature Disclosure



SUPERLIFE INVEST FUNDS

PART 3

US 500 Fund
US Large Value Fund
US Large Growth Fund
US Mid Cap Fund
US Small Cap Fund
Overseas Shares Fund
Overseas Shares (Currency Hedged) Fund
Overseas Non-government Bonds Fund
Overseas Bonds Fund

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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SUPERLIFE INVEST FUNDS

Manager	Smartshares Limited
Registered Office	Level 1 NZX Centre, 11 Cable Street, Wellington 6140, New Zealand
Licensed Supervisor	Public Trust
Administrators	Smartshares Limited (ceased 11 July 2019) BNP Paribas Fund Services Australasia Pty Limited, New Zealand branch (since 12 July 2019)
Custodian	BNP Paribas Fund Services Australasia Pty Limited, New Zealand branch
Auditor	KPMG

CORRESPONDENCE

All correspondence and enquiries to the Manager about the Funds should be addressed to the Manager, Smartshares Limited at the above address.

SUPERLIFE INVEST FUNDS

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020

		US 500 Fund	US Large Value Fund	US Large Growth Fund	US Mid Cap Fund	US Small Cap Fund
	Note	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000
Income						
Dividends and distributions		1,210	122	944	132	206
Interest income		-	-	-	-	-
Net changes in fair value of investments		(376)	(257)	19	(163)	(508)
Other foreign exchange (losses)/gains		-	-	-	-	-
Other income		-	-	-	-	-
Net income		834	(135)	963	(31)	(302)
Expenses						
Fund expenses	11c	(27)	1	4	1	2
Total expenses		(27)	1	4	1	2
Net profit /(loss)		807	(134)	967	(30)	(300)
Other comprehensive income/(loss)		-	-	-	-	-
Total comprehensive income/(loss)		807	(134)	967	(30)	(300)

The accompanying notes form part of and should be read in conjunction with these financial statements.

SUPERLIFE INVEST FUNDS

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020

	Note	Overseas Shares Fund 2020 \$'000	Overseas Shares (Currency Hedged) Fund 2020 \$'000	Overseas Non- government Bonds Fund 2020 \$'000	Overseas Bonds Fund 2020 \$'000
Income					
Dividends and distributions		4,889	5,351	1,620	3,512
Interest income		10	10	4	5
Net changes in fair value of investments		(5,763)	(28,169)	(862)	(2,484)
Other foreign exchange (losses)/gains		-	(13)	(123)	-
Other income		-	1	-	-
Net income		(864)	(22,820)	639	1,033
Expenses					
Fund expenses	11c	(4)	(5)	(89)	28
Total expenses		(4)	(5)	(89)	28
Net profit /(loss)		(868)	(22,825)	550	1,061
Other comprehensive income/(loss)		-	-	-	-
Total comprehensive income/(loss)		(868)	(22,825)	550	1,061

The accompanying notes form part of and should be read in conjunction with these financial statements.

SUPERLIFE INVEST FUNDS

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
FOR THE YEAR ENDED 31 MARCH 2020

	US 500 Fund	US Large Value Fund	US Large Growth Fund	US Mid Cap Fund	US Small Cap Fund
Note	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000
Opening value	-	-	-	-	-
Total comprehensive income/(loss)	807	(134)	967	(30)	(300)
Subscriptions	32,508	4,390	16,424	3,593	4,786
Redemptions	(7,121)	(1,494)	(4,694)	(1,752)	(1,695)
Redemptions administration - fees	(1)	-	-	-	-
Redemptions - insurance benefit and premium	(1)	-	-	-	-
Portfolio Investment Entity Tax	34	2	15	2	3
	<u>25,419</u>	<u>2,898</u>	<u>11,745</u>	<u>1,843</u>	<u>3,094</u>
Closing value	<u>26,226</u>	<u>2,764</u>	<u>12,712</u>	<u>1,813</u>	<u>2,794</u>

The accompanying notes form part of and should be read in conjunction with these financial statements.

SUPERLIFE INVEST FUNDS

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
FOR THE YEAR ENDED 31 MARCH 2020

	Overseas Shares Fund	Overseas Shares (Currency Hedged) Fund	Overseas Non- government Bonds Fund	Overseas Bonds Fund
	2020	2020	2020	2020
Note	\$'000	\$'000	\$'000	\$'000
Opening value	-	-	-	-
Total comprehensive income/(loss)	(868)	(22,825)	550	1,061
Subscriptions	117,916	137,990	61,224	68,231
Redemptions	(13,782)	(14,458)	(9,194)	(10,024)
Redemptions administration - fees	11c -	(1)	-	(1)
Redemptions - insurance benefit and premium	-	-	-	-
Portfolio Investment Entity Tax	14	162	(1)	10
	104,148	123,693	52,029	58,216
Closing value	<u>103,280</u>	<u>100,868</u>	<u>52,579</u>	<u>59,277</u>

The accompanying notes form part of and should be read in conjunction with these financial statements.

SUPERLIFE INVEST FUNDS

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2020

		US 500 Fund	US Large Value Fund	US Large Growth Fund	US Mid Cap Fund	US Small Cap Fund
	Note	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000
Assets						
Cash and cash equivalents		-	-	-	-	-
Dividend and distributions receivable		-	-	-	-	-
Other receivables		5	5	7	5	5
Outstanding sales		-	-	-	-	-
Derivative financial instruments		-	-	-	-	-
Investments at fair value through profit or loss	7	26,204	2,758	12,691	1,808	2,786
Portfolio Investment Entity tax receivable		33	2	15	2	4
Total assets		26,242	2,765	12,713	1,815	2,795
Liabilities						
Derivative financial instruments		-	-	-	-	-
Bank overdraft		-	-	-	-	-
Fund expenses payable	11c	(16)	(1)	(1)	(2)	(1)
Outstanding purchases		-	-	-	-	-
Total liabilities		(16)	(1)	(1)	(2)	(1)
Net assets of your Fund		26,226	2,764	12,712	1,813	2,794

For and on behalf of the Manager, Smartshares Limited, which authorised the issue of the financial statements on 28 September 2020.

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Guy Eliffe

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Director

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Director

The accompanying notes form part of and should be read in conjunction with these financial statements.

SUPERLIFE INVEST FUNDS

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Overseas Shares Fund	Overseas Shares (Currency Hedged) Fund	Overseas Non- government Bonds Fund	Overseas Bonds Fund
Note	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000
Assets				
Cash and cash equivalents	1,233	6,588	-	-
Dividend and distributions receivable	76	72	324	-
Other receivables	33	37	58	30
Outstanding sales	-	-	-	1,314
Derivative financial instruments	-	-	1,450	-
Investments at fair value through profit or loss	7 101,951	100,732	52,206	58,641
Portfolio Investment Entity tax receivable	10	143	3	10
Total assets	103,303	107,572	54,041	59,995
Liabilities				
Derivative financial instruments	-	(977)	(600)	-
Bank overdraft	-	-	(778)	(706)
Fund expenses payable	11c (23)	(26)	(84)	(12)
Outstanding purchases	-	(5,701)	-	-
Total liabilities	(23)	(6,704)	(1,462)	(718)
Net assets of your Fund	103,280	100,868	52,579	59,277

For and on behalf of the Manager, Smartshares Limited, which authorised the issue of the financial statements on 28 September 2020.

DocuSigned by:

Guy Elliffe

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Director

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[Signature]

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Director

The accompanying notes form part of and should be read in conjunction with these financial statements.

SUPERLIFE INVEST FUNDS

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

	US 500 Fund	US Large Value Fund	US Large Growth Fund	US Mid Cap Fund	US Small Cap Fund
	2020	2020	2020	2020	2020
Note	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
Dividends and distributions received	105	23	-	-	-
Interest income received	-	-	-	-	-
Sale of investments	7,815	1,563	4,963	1,898	2,101
Other income received	-	-	-	-	-
Fund expenses paid	(16)	(3)	(2)	(2)	(2)
Purchase of investments	(13,517)	(2,164)	(9,458)	(1,634)	(1,474)
Net operating cash flows	10	(5,613)	(4,497)	262	625
Cash flows from financial activities					
Subscriptions	12,735	2,075	9,191	1,490	1,070
Redemptions	(7,121)	(1,494)	(4,694)	(1,752)	(1,695)
Redemptions - fees deducted	(1)	-	-	-	-
Redemptions - insurance benefit and premium paid out	(1)	-	-	-	-
Portfolio Investment Entity tax (paid)/received	1	-	-	-	-
Net financial cash flows	5,613	581	4,497	(262)	(625)
Net increase/(decrease) in cash and cash equivalents held	-	-	-	-	-
Cash and cash equivalents at the beginning of the year	-	-	-	-	-
Cash and cash equivalents at the end of the year	-	-	-	-	-
Cash and cash equivalents comprise of:					
Cash at bank	-	-	-	-	-
Bank overdraft	-	-	-	-	-
Cash and cash equivalents at the end of the year	-	-	-	-	-

The accompanying notes form part of and should be read in conjunction with these financial statements.

SUPERLIFE INVEST FUNDS

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

	Overseas Shares Fund	Overseas Shares (Currency Hedged) Fund	Overseas Non- government Bonds Fund	Overseas Bonds Fund
	2020	2020	2020	2020
Note	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities				
Dividends and distributions received	927	1,025	1,296	812
Interest income received	10	10	4	5
Sale of investments	25,698	37,737	6,091	5,002
Other income received	-	1	-	-
Fund expenses paid	(33)	(36)	(79)	4
Purchase of investments	(19,429)	(27,283)	(3,980)	(5,944)
Net operating cash flows	7,173	11,454	3,332	(121)
Cash flows from financial activities				
Subscriptions	7,838	9,543	5,104	9,439
Redemptions	(13,782)	(14,458)	(9,194)	(10,024)
Redemptions - fees deducted	-	(1)	-	(1)
Redemptions - insurance benefit and premium paid out	-	-	-	-
Portfolio Investment Entity tax (paid)/received	4	50	(20)	1
Net financial cash flows	(5,940)	(4,866)	(4,110)	(585)
Net increase/(decrease) in cash and cash equivalents held	1,233	6,588	(778)	(706)
Cash and cash equivalents at the beginning of the year	-	-	-	-
Cash and cash equivalents at the end of the year	1,233	6,588	(778)	(706)
Cash and cash equivalents comprise of:				
Cash at bank	1,233	6,588	-	-
Bank overdraft	-	-	(778)	(706)
Cash and cash equivalents at the end of the year	1,233	6,588	(778)	(706)

The accompanying notes form part of and should be read in conjunction with these financial statements.

SUPERLIFE INVEST FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. General information

The SuperLife Invest Funds are funds offered under a registered managed investment scheme called 'SuperLife Invest' (the "Scheme"). The Scheme was registered in New Zealand and established under the Financial Markets Conduct Act 2013 (the "FMCA 2013") for the principal purpose of providing investors access to a range of investment markets. The Scheme's registration number is SCH 10765. It is governed by the SuperLife Invest Master Trust Deed dated 14 September 2016 and as further amended and restated on 15 July 2019 (the "Trust Deed"). Each Fund in the Scheme is established as a separate and distinct trust fund.

During the year ended 31 March 2020, there were 40 funds under the Scheme and the funds' financial statements are divided into 6 sets. These financial statements are for SuperLife Invest Funds Part 3 and for the following funds (each a fund, collectively the "Funds"):

US 500 Fund
 US Large Value Fund
 US Large Growth Fund
 US Mid Cap Fund
 US Small Cap Fund
 Overseas Shares Fund
 Overseas Shares (Currency Hedged) Fund
 Overseas Non-government Bonds Fund
 Overseas Bonds Fund

2. Reporting period

These are the Funds' first financial statements and are for the year 1 April 2019 to 31 March 2020.

3. Basis of preparation

The financial statements of the Funds have been drawn up in accordance with the Trust Deed and comply with the requirements of the FMCA 2013, New Zealand Generally Accepted Accounting Practice as defined in the Financial Reporting Act 2013, New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") and International Financial Reporting Standards ("IFRS"). The accounting policies have been consistently applied throughout the reporting period.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss. All amounts are in New Zealand Dollars (NZD), rounded to the nearest thousand. Where specific amounts are referred to in the note wording, the amounts are rounded to the nearest dollar. The NZD is also the functional currency of the Funds.

4. Critical accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates that affect the reported amounts and the application of accounting policies. It also requires the Manager to exercise its judgement in the process of applying the accounting policies of the Funds.

Discussion of the critical accounting estimates and judgements used is included in note 7 on financial instruments at fair value through profit or loss.

5. Summary of significant accounting policies

(a) Financial Instruments

Classification

The Funds classify their financial assets based on both the Funds' business model for managing those financial assets and the contractual cash flow characteristics of the financial assets in accordance with NZ IFRS 9: Financial Instruments.

(i) Financial assets and financial liabilities at fair value through profit or loss

These include investments at fair value through profit and loss and derivative instruments. The Funds mainly evaluate the information about these financial assets on a fair value basis together with other related financial information to assess the assets' performance and to make decisions.

(ii) Financial assets at amortised cost

These include cash and cash equivalents and receivables.

SUPERLIFE INVEST FUNDS**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020****5. Summary of significant accounting policies (Continued)**

(iii) Financial liabilities at amortised cost

These represent amounts recognised to be paid in the future for goods and services received. These include outstanding settlements and other accrued expenses.

Recognition, derecognition and measurement

Financial assets and financial liabilities are recognised on the date the fund becomes a party to the contractual agreement (trade date).

Financial assets are derecognised when the right to receive cash flows from the financial assets has expired or the fund has transferred substantially all of the risks and rewards of ownership. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expired.

Financial assets and financial liabilities held at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the Statement of Comprehensive Income. Subsequent to initial recognition, these are measured at fair value. Gains or losses arising from changes in the fair value of the financial instruments designated at fair value through profit or loss are presented in the Statement of Comprehensive Income within 'net changes in fair value of investments' in the period in which they arise.

Financial assets at amortised cost are measured at amortised cost, using the effective interest method, less an allowance for impairment based on the expected credit losses (ECL).

Financial liabilities at amortised cost are measured at amortised cost using the effective interest method.

Fair value determination

The fair value of financial instruments traded is based on quoted market prices at the reporting date. The quoted market price used for financial assets by the Funds is the last traded price.

For managed investment trusts where there is no active market the fair value is determined by the realisable value of the investments as advised by the investment managers based on the underlying market value on the reporting date.

For all other financial instruments not traded in an active market the fair value is determined using valuation techniques which include the use of recent comparable arms-length market transactions, reference to the current market value of another similar financial instrument, discounted cash flow analysis and other valuation models making the maximum use of market inputs and keeping judgemental inputs to a minimum.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of a fund or its counterparty.

(b) Cash and cash equivalents

Cash and cash equivalents ("Cash") means cash at bank, demand deposits and other highly liquid investments in which the Funds may invest as part of their day-to-day cash management. Cash does not include accounts receivables or payables, or any borrowings subject to a term facility.

(c) Foreign currency translation

Foreign currency transactions are translated into the functional currency (NZD) using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses arising from translation are included in the Statement of Comprehensive Income. Foreign exchange gains and losses relating to financial assets and financial liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within 'net changes in fair value of investments'.

SUPERLIFE INVEST FUNDS**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020****5. Summary of significant accounting policies (Continued)****(d) Dividends and distributions income**

Dividends and distributions income are recognised when the right to receive payment is established.

(e) Interest income

Interest income is recognised as the interest accrues using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

(f) Units

The Funds were unitised on 15 July 2019, refer to note 9.

The Funds issue units, which provide the holder with a beneficial interest in the Funds. The units are issued and redeemed based on the Funds' net asset value per unit at the time of issue or redemption, which is calculated by dividing the net assets attributable to the unitholders by the total number of outstanding units.

The units meet the definition of puttable instruments and are classified as equity instruments under NZ IAS 32 Financial Instruments: Presentation.

(g) Fees and expenses

The Funds incur fees and expenses from a range of services received from various service providers, including reimbursable expenses allowed by the Trust Deed. Fees are accrued as services are rendered.

(h) Taxation

Each of the Funds is a Portfolio Investment Entity ("PIE"). Under the PIE regime, income is effectively taxed in the hands of the unitholders and therefore the Funds do not have an income tax liability on their accounts.

Taxable income is attributed to unitholders in accordance with their proportionate interest in the Funds. Income attributed to each unitholder is taxed at the unitholder's Prescribed Investor Rate which is capped at 28%. The tax balance included in the Statement of Financial Position represents PIE tax receivable or payable on behalf of the unitholders.

(i) Goods and services tax (GST)

The Funds are not registered for GST and consequently all components of the financial statements are stated inclusive of GST where appropriate.

(j) Securities lending

Certain funds enter into securities lending transactions whereby they lend securities, recognised on the Statement of Financial Position, but retain either all or substantially all of the risk and rewards of the lent securities. As all or substantially all risks and rewards are retained, the lent securities are not derecognised.

(k) Insurance

Insurance claim proceeds in respect of life, medical and disability insurance, are shown as insurance proceeds received from insurers when the money is received. Payments to the unitholders or beneficiaries are shown as benefit payments when the insurance proceeds are paid to the unitholders or beneficiaries.

(l) Changes in accounting policies and accounting standards adopted during the year

A number of new standards are effective from 1 April 2019, including NZ IFRS 16 but they do not have any material effect on the fund's financial statements.

(m) Issued but not yet effective accounting standards

A number of accounting standards have been issued or revised that are not yet effective as at 31 March 2020, and were identified as not applicable to the Funds.

SUPERLIFE INVEST FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

6. Risk

The Funds' investment activities directly expose them to market risk (market price risk and currency risk), credit risk, liquidity risk and securities lending risk. Additionally, the Funds are also indirectly exposed to a variety of financial risks including credit, currency, interest rate, market price and liquidity risks through the holding of the investments in managed investment trusts.

The financial risk management disclosures have been prepared on the basis of the Fund's direct investments and not on a full look through basis for the investments held indirectly through the managed investment trusts.

6a Market risk

Market price risk is the risk of gains or losses from changes in the market price of underlying investments. Currency risk is the risk of gains or losses or changes in the New Zealand dollar value due to changes in foreign exchange rates. Currency risk may be managed by using derivatives to hedge the risk.

An analysis of the financial risks arising from the direct investments of the Funds is set out below:

Market price risk

Equity securities held are exposed to market price risk arising from uncertainties about future prices of financial instruments. Because the Funds invest in exchange traded funds (ETFs) and other managed investment trusts, the value of the Funds will move up and down with the market.

A 10% annual increase/decrease in equity prices is considered to be a reasonably likely percentage change based on the historical performance of the underlying investments and represents the exposure to market price risk for the year ended 31 March 2020.

A 10% increase/decrease in prices would have increased/decreased net profit and unitholders funds is shown in the table below:

	US 500 Fund	US Large Value Fund	US Large Growth Fund	US Mid Cap Fund	US Small Cap Fund
	2020	2020	2020	2020	2020
	\$'000	\$'000	\$'000	\$'000	\$'000
Impact of 10% change in market prices +/-	2,620	276	1,269	181	279

	Overseas Shares Fund	Overseas Shares (Currency Hedged) Fund	Overseas Non-government Bonds Fund	Overseas Bonds Fund
	2020	2020	2020	2020
	\$'000	\$'000	\$'000	\$'000
Impact of 10% change in market prices +/-	10,195	10,073	5,221	5,864

SUPERLIFE INVEST FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

6. Risk (Continued)

Currency risk

Funds holding foreign investments have exposure to currency risk.

A 10% strengthening/weakening of the New Zealand dollar ("NZD") against various currencies is considered to be a reasonably likely percentage change and represents the exposure to currency price risk during the year ended 31 March 2020.

A 10% increase/decrease in the value of the New Zealand dollar would have an adverse/favourable impact on the value of the Funds' net assets as follows:

	US 500 Fund	US Large Value Fund	US Large Growth Fund	US Mid Cap Fund	US Small Cap Fund
	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000
AUD	-	-	-	-	-
EUR	-	-	-	-	-
GBP	-	-	-	-	-
JPY	-	-	-	-	-
USD	-	-	-	-	-
Other	-	-	-	-	-

	Overseas Shares Fund	Overseas Shares (Currency Hedged) Fund	Overseas Non-government Bonds Fund	Overseas Bonds Fund
	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000
AUD	-	264	195	-
EUR	-	1,432	-	-
GBP	-	634	-	-
JPY	-	921	-	-
USD	-	6,074	-	-
Other	-	343	-	-

6b Credit risk

The Funds are exposed to the potential risk of financial loss resulting from the failure of counterparties to fully honour the terms of conditions of a contract with the Funds. The maximum credit risk of financial instruments is considered to be their carrying value. Financial instruments that subject the Funds to credit risk consist primarily of cash, receivables and derivatives. The analysis below summarises the credit quality of the Funds' exposure rated externally by Standard & Poor's.

SUPERLIFE INVEST FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

6. Risk (Continued)

	US 500 Fund	US Large Value Fund	US Large Growth Fund	US Mid Cap Fund	US Small Cap Fund
	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000
AAA to AA-	-	-	-	-	-
	Overseas Shares Fund	Overseas Shares (Currency Hedged) Fund	Overseas Non-government Bonds Fund	Overseas Bonds Fund	
	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	
AAA to AA-	1,233	6,588	1,450	1,314	

6c Liquidity risk

In accordance with the Funds' policy, the Manager monitors the Funds' liquidity position on a daily basis. Liquidity management is designed to ensure that the Funds have the ability to generate sufficient cash in a timely manner to meet their financial commitments and normal levels of redemptions. The Manager regularly monitors market volatility and redemption levels to establish each fund's appropriate liquidity level. In the event of abnormal levels of redemptions, timing of payments may depend on the ability of the particular fund to realise its underlying investments on a timely basis.

The Funds continue to maintain appropriate levels of liquidity and meet their normal redemption obligations in the rapidly changing COVID-19 environment.

6d Securities lending risk

A number of possible risks arise from the Funds' securities lending program. These include, but are not limited to, the risk that a borrower of securities fails to deliver equivalent securities on termination of a loan and the risk that the lending contract will for whatever reason not be legally enforceable.

In order to limit the Funds' exposure to risk that may arise from securities lending, there is a limitation on the value of securities that a fund may lend at any point in time and a requirement that collateral be held by the custodian.

As at 31 March 2020, no securities of the Funds were on loan to any borrower.

SUPERLIFE INVEST FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

7. Investments

Financial instruments measured at fair value are categorised across the following 3 levels based on the degree to which their fair value is observable, Level 1 - Fair value measurements are derived from quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 - Fair value measurements are derived from inputs other than quoted prices included within Level 1 that are observable either directly or indirectly; Level 3 - Fair value measurements are derived from valuation methods that include inputs that are not based on observable market data.

The fair value for investments in underlying ETFs and listed managed investment trusts is based on their last traded price and defined as Level 1. Fair value for investments in unlisted managed investment trust is based on their quoted redemption price, and categorised as Level 2 in the hierarchy. Forward foreign exchange contracts are marked to market at the currency forward exchange rate at the reporting date for contracts with similar maturity and risk profiles and categorised as Level 2.

There were no transfers between levels during the year ended 31 March 2020.

The COVID-19 outbreak which was declared a global pandemic by the World Health Organisation in March 2020 caused widespread uncertainty across global economies and the market impact of this is reflected in the value of the investments disclosed in the financial statements as at 31 March 2020. Following the year ended 31 March 2020, the value of the investments have shown evidence of recovery.

There was no impact on the categorisation of investments held in accordance with the fair value hierarchy as at 31 March 2020 and this remains as disclosed above.

	US 500 Fund 31 March 2020			US Large Value Fund 31 March 2020			US Large Growth Fund 31 March 2020		
	Level 1 \$'000	Level 2 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Total \$'000
Financial assets at fair value through profit or loss									
<i>Investments:</i>									
ETFs	26,204	-	26,204	2,758	-	2,758	12,691	-	12,691
	26,204	-	26,204	2,758	-	2,758	12,691	-	12,691
	US Mid Cap Fund 31 March 2020			US Small Cap Fund 31 March 2020			Overseas Shares Fund 31 March 2020		
	Level 1 \$'000	Level 2 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Total \$'000
Financial assets at fair value through profit or loss									
<i>Investments :</i>									
ETFs	1,808	-	1,808	2,786	-	2,786	101,951	-	101,951
	1,808	-	1,808	2,786	-	2,786	101,951	-	101,951

SUPERLIFE INVEST FUNDS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

7. Investments (Continued)

	Overseas Shares (Currency Hedged) Fund 31 March 2020			Overseas Non-government Bonds Fund 31 March 2020			Overseas Bonds Fund 31 March 2020		
	Level 1 \$'000	Level 2 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Total \$'000
Financial assets at fair value through profit or loss									
<i>Investments:</i>									
ETFs	100,732	-	100,732	-	-	-	58,641	-	58,641
Unlisted managed investment trusts	-	-	-	-	52,206	52,206	-	-	-
	<u>100,732</u>	<u>-</u>	<u>100,732</u>	<u>-</u>	<u>52,206</u>	<u>52,206</u>	<u>58,641</u>	<u>-</u>	<u>58,641</u>
<i>Derivative financial instruments</i>									
Forward foreign exchange contracts	-	-	-	-	1,450	1,450	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,450</u>	<u>1,450</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities at fair value at profit or loss									
<i>Derivative financial instruments</i>									
Forward foreign exchange contracts	-	977	977	-	600	600	-	-	-
	<u>-</u>	<u>977</u>	<u>977</u>	<u>-</u>	<u>600</u>	<u>600</u>	<u>-</u>	<u>-</u>	<u>-</u>

8. Resettlements

Effective 11:59pm on 31 March 2019 the Funds received assets and liabilities as a result of the resettlement of the SuperLife Invest Managed Investment Scheme into 37 distinct segregated funds (standalone trusts). The value of the resettled assets and liabilities for each of the Funds included in the financial statements are presented in the table below:

	US 500 Fund	US Large Value Fund	US Large Growth Fund	US Mid Cap Fund	US Small Cap Fund
	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000
Investments at fair value through profit or loss	19,773	2,315	7,232	2,103	3,716
Cash and cash equivalents	-	-	-	-	-
Receivables	5	1	2	1	1
Payables	<u>(7)</u>	<u>(1)</u>	<u>(3)</u>	<u>(1)</u>	<u>(1)</u>
	19,771	2,315	7,231	2,103	3,716

SUPERLIFE INVEST FUNDS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

8. Resettlements (Continued)

	Overseas Shares Fund	Overseas Shares (Currency Hedged) Fund	Overseas Non- government Bonds Fund	Overseas Bonds Fund
	2020	2020	2020	2020
	\$'000	\$'000	\$'000	\$'000
Investments at fair value through profit or loss	110,020	128,363	56,153	58,798
Cash and cash equivalents	1,418	1,291	846	844
Receivables	104	135	-	16
Payables	(46)	(51)	(33)	(22)
	<u>111,496</u>	<u>129,738</u>	<u>56,966</u>	<u>59,636</u>

9. Units on issue ('000 units)

	US 500 Fund	US Large Value Fund	US Large Growth Fund	US Mid Cap Fund	US Small Cap Fund
	2020	2020	2020	2020	2020
	Units	Units	Units	Units	Units
	'000	'000	'000	'000	'000
Opening balance	-	-	-	-	-
Units issued due to Funds unitisation on 15 July 2019	24,935	2,878	9,593	2,503	3,992
Subscriptions from unitholders	7,841	1,518	6,608	1,171	834
Redemptions by unitholders	(5,889)	(1,387)	(4,090)	(1,631)	(1,443)
Closing balance	<u>26,887</u>	<u>3,009</u>	<u>12,111</u>	<u>2,043</u>	<u>3,383</u>

SUPERLIFE INVEST FUNDS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

9. Units on issue ('000 units) (Continued)

	Overseas Shares Fund	Overseas Shares (Currency Hedged) Fund	Overseas Non- government Bonds Fund	Overseas Bonds Fund
	2020	2020	2020	2020
	Units	Units	Units	Units
	'000	'000	'000	'000
Opening balance	-	-	-	-
Units issued due to Funds unitisation on 15 July 2019	118,400	134,979	58,263	61,336
Subscriptions from unitholders	5,229	7,776	3,689	7,298
Redemptions by unitholders	(12,247)	(13,992)	(8,303)	(9,429)
Closing balance	111,382	128,763	53,649	59,205

10. Reconciliation of net profit/(loss) to net cash flows from operating activities

	US 500 Fund	US Large Value Fund	US Large Growth Fund	US Mid Cap Fund	US Small Cap Fund
	2020	2020	2020	2020	2020
	\$'000	\$'000	\$'000	\$'000	\$'000
Net profit/(loss)	807	(134)	967	(30)	(300)
<i>Adjustments for:</i>					
Payments for the purchase of investments and derivatives	(13,517)	(2,164)	(9,458)	(1,634)	(1,474)
Proceeds from sale of investments and derivatives	7,815	1,563	4,963	1,898	2,101
Realised (gain)/loss on investments and derivatives	(363)	(6)	(181)	(88)	(45)
Unrealised (gain)/loss on investments and derivatives	739	263	162	251	553
Foreign exchange (gain)/loss	-	-	-	-	-
Non-cash distributions	(1,105)	(99)	(944)	(132)	(206)
Increase in receivables	(5)	(5)	(7)	(5)	(5)
Increase in payables	16	1	1	2	1
Movement in resettled receivables and payables	-	-	-	-	-
Net cash flows from operating activities	(5,613)	(581)	(4,497)	262	625

SUPERLIFE INVEST FUNDS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

10. Reconciliation of profit/(loss) to net cash flows from operating activities (Continued)

	Overseas Shares Fund	Overseas Shares (Currency Hedged) Fund	Overseas Non- government Bonds Fund	Overseas Bonds Fund
	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000
Net profit/(loss)	(868)	(22,825)	550	1,061
<i>Adjustments for:</i>				
Payments for the purchase of investments and derivatives	(19,429)	(27,283)	(3,980)	(5,944)
Proceeds from sale of investments and derivatives	25,698	37,737	6,091	5,002
Realised (gain)/loss on investments and derivatives	(918)	20,742	34	278
Unrealised (gain)/loss on investments and derivatives	6,681	7,427	828	2,206
Foreign exchange (gain)/loss	-	13	123	-
Non-cash distributions	(3,962)	(4,326)	-	(2,700)
Increase in receivables	(109)	(109)	(382)	(30)
Increase in payables	23	26	84	12
Movement in resettled receivables and payables	57	52	(16)	(6)
Net cash flows from operating activities	<u>7,173</u>	<u>11,454</u>	<u>3,332</u>	<u>(121)</u>

SUPERLIFE INVEST FUNDS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

11. Related party transactions

11a. Related parties investment in SuperLife Invest Scheme

The following is a summary of the investments and transactions as at 31 March 2020 relating to SuperLife workplace savings scheme ("SLWS"), SuperLife KiwiSaver scheme ("SLKS") and SuperLife UK pension transfer scheme ("SLUK"), which are schemes managed by the Manager.

	US 500 Fund	US Large Value Fund	US Large Growth Fund	US Mid Cap Fund	US Small Cap Fund
	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000
Opening balance	-	-	-	-	-
Subscriptions from schemes	21,531	3,553	12,711	2,785	3,302
Redemptions by schemes	(4,710)	(1,379)	(3,640)	(1,400)	(1,666)
Change in value	696	(116)	700	(31)	(129)
Closing balance	17,517	2,058	9,771	1,354	1,507

	Overseas Shares Fund	Overseas Shares (Currency Hedged) Fund	Overseas Non-government Bonds Fund	Overseas Bonds Fund
	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000
Opening balance	-	-	-	-
Subscriptions from schemes	113,504	134,317	59,796	64,365
Redemptions by schemes	(12,747)	(13,880)	(9,095)	(9,623)
Change in value	(1,880)	(22,423)	505	1,265
Closing balance	98,877	98,014	51,206	56,007

SUPERLIFE INVEST FUNDS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

11. Related party transactions (Continued)

11b. Related party investments

The Funds invest in ETFs managed by Smartshares Limited. As at 31 March 2020, the holdings and transactions are as follows:

	US 500 Fund	US Large Value Fund	US Large Growth Fund	US Mid Cap Fund	US Small Cap Fund
	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000
Opening balance	-	-	-	-	-
Purchases	34,395	4,578	17,635	3,869	5,395
Sales	(7,815)	(1,563)	(4,963)	(1,898)	(2,101)
Realised/unrealised changes in fair value of investments	(376)	(257)	19	(163)	(508)
Closing balance	26,204	2,758	12,691	1,808	2,786

	Overseas Shares Fund	Overseas Shares (Currency Hedged) Fund	Overseas Non-government Bonds Fund	Overseas Bonds Fund
	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000
Opening balance	-	-	-	-
Purchases	133,412	165,664	-	67,439
Sales	(25,698)	(59,051)	-	(6,317)
Realised/unrealised changes in fair value of investments	(5,763)	(5,881)	-	(2,481)
Closing balance	101,951	100,732	-	58,641

The distributions received from the ETFs for the year end 31 March 2020 are as follows:

	US 500 Fund	US Large Value Fund	US Large Growth Fund	US Mid Cap Fund	US Small Cap Fund
	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000
Distributions received	1,210	122	944	132	206

SUPERLIFE INVEST FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

11. Related party transactions (Continued)

	Overseas Shares Fund	Overseas Shares (Currency Hedged) Fund	Overseas Non- government Bonds Fund	Overseas Bonds Fund
	2020	2020	2020	2020
	\$'000	\$'000	\$'000	\$'000
Distributions received	4,889	5,351	-	3,512

11c. Manager's fees

The Manager is entitled to receive an administration fee of \$12 per annum for each unitholder and a paper statements fee of \$18 per annum for each unitholder who has chosen to receive statements and other communications in paper form. The Manager also receives an administration fee for arranging insurance cover as agreed between the unitholder and the Manager.

The administration fee, paper statements fee and fixed dollar amount of the insurance administration fee disclosed above are stated net of an income tax deduction applied in calculating the unitholders PIE tax payable. The relevant gross fee which is calculated using the unitholders Prescribed Investor Rate is paid to the Manager.

Fund expenses disclosed in the Statement of Comprehensive Income represent regular fund charges which are a percentage per annum of the fund's net asset value. This includes fees and costs charged by the Supervisor, custodian, administrator, any fee due at the investment level, regulatory and compliance cost. Of the total fund expenses, the Manager receives any remaining amounts due after all fees and costs are paid. In the event that fees and costs of the fund exceeds the regular fund charges, this shortfall will be covered by the Manager.

At 31 March 2020, the total amounts due to or from the Manager are as follows:

	US 500 Fund	US Large Value Fund	US Large Growth Fund	US Mid Cap Fund	US Small Cap Fund
	2020	2020	2020	2020	2020
	\$'000	\$'000	\$'000	\$'000	\$'000
Manager's fee - administration fee	1	-	-	-	-
Manager's fee - percentage of assets	34	1	4	1	2
Manager's fee - percentage of assets - remaining as payable/(receivable) at year end	6	(4)	(7)	2	1

SUPERLIFE INVEST FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

11. Related party transactions (Continued)

	Overseas Shares Fund	Overseas Shares Fund (Currency Hedged) Fund	Overseas Non- government Bonds Fund	Overseas Bonds Fund
	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000
Manager's fee - administration fee	-	1	-	1
Manager's fee - percentage of assets	98	112	145	28
Manager's fee - percentage of assets - remaining as payable/(receivable) at year end	(33)	(37)	72	(30)

During the year ended 31 March 2020, SLWS, SLKS and SLUK were charged the standard fees applicable to all unitholders in the Funds.

11d. Securities lending

In March 2020, the Funds entered into securities lending agreements with various market participants and the Manager. The Funds will earn fifty percent of the total fee earned from the securities lending agreements and the remaining fifty percent will be income due to the Manager. There were no fees earned by the Funds or the Manager for the year ended 31 March 2020.

As at 31 March 2020, no securities of the Funds were on loan to any borrower.

12. Audit fees

	US 500 Fund	US Large Value Fund	US Large Growth Fund	US Mid Cap Fund	US Small Cap Fund
	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000
Financial statements audit	3	3	3	3	3
Control assurance engagement	1	1	1	1	1
	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>

SUPERLIFE INVEST FUNDS**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020****12. Audit fees (Continued)**

	Overseas Shares Fund	Overseas Shares (Currency Hedged) Fund	Overseas Non- government Bonds Fund	Overseas Bonds Fund
	2020	2020	2020	2020
	\$'000	\$'000	\$'000	\$'000
Financial statements audit	3	3	3	3
Control assurance engagement	1	1	1	1
	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>

The fee paid for the registry compliance audit of the SuperLife Invest Scheme for the year ended 31 March 2020 was \$1,000.

13. Commitments and contingencies

There are no material liabilities, collateral or capital commitments as at 31 March 2020.

14. Subsequent events

There have been no further material events after the reporting date that require adjustments to or disclosures in the financial statements.



Independent Auditor's Report

To the unitholders of:

- US 500 Fund
- US Large Value Fund
- US Large Growth Fund
- US Mid Cap Fund
- US Small Cap Fund
- Overseas Shares Fund
- Overseas Shares (Currency Hedged) Fund
- Overseas Non-government Bonds Funds
- Overseas Bonds Fund

(Collectively referred to as the "Funds")

Report on the audit of the financial statements

Opinion

In our opinion, the accompanying financial statements of the Funds on pages 2 to 25:

- i. present fairly in all material respects the Funds' financial position as at 31 March 2020 and its financial performance and cash flows for the year ended on that date; and
- ii. comply with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

We have audited the accompanying financial statements which comprise:

- the statement of financial position as at 31 March 2020;
- the statements of comprehensive income, changes in net assets attributable to unitholders and cash flows for the year then ended; and
- notes, including a summary of significant accounting policies and other explanatory information.



Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Funds in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our responsibilities under ISAs (NZ) are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

Our firm has also provided statutory audit services to Smartshares Limited (the "Manager") and provided controls assurance and registry assurance to the Funds. Subject to certain restrictions, partners and employees of our firm may also deal with the Funds on normal terms within the ordinary course of trading activities of the business of



the Funds. These matters have not impaired our independence as auditor of the Funds. The firm has no other relationship with, or interest in, the Funds.

Materiality

The scope of our audit was influenced by our application of materiality. Materiality helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole. The materiality for the financial statements as a whole was set with a reference to a benchmark of the Funds' total assets. We chose the benchmark because, in our view, this is a key measure of the Funds' performance.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements in the current period. We summarise below those matters and our key audit procedures to address those matters in order that the unitholders as a body may better understand the process by which we arrived at our audit opinion. Our procedures were undertaken in the context of and solely for the purpose of our statutory audit opinion on the financial statements as a whole and we do not express discrete opinions on separate elements of the financial statements

COVID 19

The Covid-19 pandemic has created additional risks, particularly with the valuation of investments, liquidity and going concern. Some investments may have become more difficult to value, as they either experience significant events, or become less liquid and actively traded. Additional disclosures may be required to ensure there is adequate disclosure of changes to fair value levels for securities, liquidity risks, market risks and subsequent events where there are material withdrawals, other material impacts on liquidity and changes to the value of the Funds. While the key audit matter "Valuation and existence of investments", detailed below, the underlying audit risk has increased which impacted the extent and nature of audit evidence that we had to gather.

The key audit matter

How the matter was addressed in our audit

Valuation and existence of investments

Refer to Note 7 of the Funds' financial statements. The Funds' portfolio of investments makes up majority of total assets. We do not consider these investments to be at high risk of significant misstatement, or be subject to a significant level of judgement. However, due to their materiality in the context of the financial statements as a whole, they are considered to be the area which had the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.

Our audit procedures included:

- documenting and understanding the processes in place to record investment transactions and to value the portfolio. This included evaluating the control environment in place at the administration manager by obtaining and reading a report issued by an independent auditor on the design and operation of those controls and where necessary performed additional testing of these controls to 31 March.
- agreeing the exit price of the investments to independent third party sources.
- agreeing investment holdings to confirmations received from the administration manager.

We did not identify any material differences in relation to the carrying amount of investments.

Other information

The Manager, on behalf of the Funds, are responsible for the other information included in the entity's Annual Report. Other information includes the details and changes to the Fund and other information. Our opinion on the financial statements does not cover any other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Use of this independent auditor's report

This independent auditor's report is made solely to the unitholders as a body. Our audit work has been undertaken so that we might state to the unitholders those matters we are required to state to them in the independent auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the unitholders as a body for our audit work, this independent auditor's report, or any of the opinions we have formed.

Responsibilities of Manager for the financial statements

The Manager, on behalf of the Funds, are responsible for:

- the preparation and fair presentation of the financial statements in accordance with generally accepted accounting practice in New Zealand (being New Zealand Equivalents to International Financial Reporting Standards) and International Financial Reporting Standards;
- implementing necessary internal control to enable the preparation of a set of financial statements that is fairly presented and free from material misstatement, whether due to fraud or error; and
- assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objective is:

- to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and
- to issue an independent auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs NZ will always detect a material misstatement when it exists.



Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of these financial statements is located at the External Reporting Board (XRB) website at:

<http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-2/>

This description forms part of our independent auditor's report.

The engagement partner on the audit resulting in this independent auditor's report is Graeme Edwards.

For and on behalf of

A handwritten signature in blue ink that reads 'KPMG'.

KPMG
Wellington

28 September 2020


Certificate Of Completion

Envelope Id: 2E6703DB77BF4E74A4A03C4FD3A2F335	Status: Completed
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Document Pages: 106	Signatures: 16
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	Level 1, 11 Cable Street
	Wellington, Wellington Central 6011
	tw.bennett@nzx.com
	IP Address: 103.103.41.59

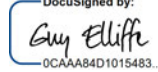
Record Tracking

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September 29, 2020 10:55	tw.bennett@nzx.com	

Signer Events

Guy Elliffe

 Director
 Security Level: Email, Account Authentication (None)

Signature


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 Signed: September 29, 2020 | 11:08

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Accepted: September 29, 2020 | 11:06
 ID: 0e8b65fa-01f1-4615-ac85-f4c28ece8a7a

Mark Peterson

 CEO - NZX
 Security Level: Email, Account Authentication (None)

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 ID: b391a660-2b03-4dce-91ff-564cd468d73e

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
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Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
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Witness Events	Signature	Timestamp
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Envelope Summary Events	Status	Timestamps

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	September 29, 2020 11:05
Certified Delivered	Security Checked	September 29, 2020 11:32
Signing Complete	Security Checked	September 29, 2020 11:32
Completed	Security Checked	September 29, 2020 11:32

Payment Events	Status	Timestamps
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SUPERLIFE INVEST FUNDS

PART 4

SuperLife Income
SuperLife Growth
SuperLife Conservative
SuperLife High Growth
SuperLife Balanced
UK Cash Fund
Europe Fund
Global Property Fund
Emerging Markets Fund
Total World Fund
Ethica

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

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SUPERLIFE INVEST FUNDS

Manager	Smartshares Limited
Registered Office	Level 1 NZX Centre, 11 Cable Street, Wellington 6140, New Zealand
Licensed Supervisor	Public Trust
Administrators	Smartshares Limited (ceased 11 July 2019) BNP Paribas Fund Services Australasia Pty Limited, New Zealand branch (since 12 July 2019)
Custodian	BNP Paribas Fund Services Australasia Pty Limited, New Zealand branch
Auditor	KPMG

CORRESPONDENCE

All correspondence and enquiries to the Manager about the Funds should be addressed to the Manager, Smartshares Limited at the above address.

SUPERLIFE INVEST FUNDS

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020

	SuperLife Income	SuperLife Growth	SuperLife Conservative	SuperLife High Growth	SuperLife Balanced	UK Cash Fund
	2020	2020	2020	2020	2020	2020
Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income						
Dividends and distributions	7,960	2,130	2,417	16,833	14,543	-
Interest income	15	5	6	47	33	17
Net changes in fair value of investments	(4,818)	(9,282)	(4,629)	(77,075)	(40,250)	-
Other foreign exchange (losses)/gains	(115)	(34)	(59)	(218)	(322)	722
Other income	-	-	-	-	-	-
Net income	3,042	(7,181)	(2,265)	(60,413)	(25,996)	739
Expenses						
Fund expenses	11c (52)	(19)	(8)	(206)	(104)	(40)
Total expenses	(52)	(19)	(8)	(206)	(104)	(40)
Net profit /(loss)	2,990	(7,200)	(2,273)	(60,619)	(26,100)	699
Other comprehensive income/(loss)	-	-	-	-	-	-
Total comprehensive income/(loss)	2,990	(7,200)	(2,273)	(60,619)	(26,100)	699

The accompanying notes form part of and should be read in conjunction with these financial statements.

SUPERLIFE INVEST FUNDS

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020

	Europe Fund	Global Property Fund	Emerging Markets Fund	Total World Fund	Ethica
Note	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000
Income					
Dividends and distributions	221	893	936	528	2,133
Interest income	-	3	2	-	8
Net changes in fair value of investments	(444)	(10,059)	(2,314)	(919)	(5,276)
Other foreign exchange (losses)/gains	-	(160)	-	-	(5)
Other income	-	-	-	-	48
Net income	(223)	(9,323)	(1,376)	(391)	(3,092)
Expenses					
Fund expenses	4	(26)	(15)	8	(88)
Total expenses	4	(26)	(15)	8	(88)
Net profit /(loss)	(219)	(9,349)	(1,391)	(383)	(3,180)
Other comprehensive income/(loss)	-	-	-	-	-
Total comprehensive income/(loss)	(219)	(9,349)	(1,391)	(383)	(3,180)

The accompanying notes form part of and should be read in conjunction with these financial statements.

SUPERLIFE INVEST FUNDS

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
FOR THE YEAR ENDED 31 MARCH 2020

	SuperLife Income	SuperLife Growth	SuperLife Conservative	SuperLife High Growth	SuperLife Balanced	UK Cash Fund
	2020	2020	2020	2020	2020	2020
Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening value	-	-	-	-	-	-
Total comprehensive income/(loss)	2,990	(7,200)	(2,273)	(60,619)	(26,100)	699
Subscriptions	219,916	75,121	90,533	538,750	410,925	13,502
Redemptions	(48,701)	(13,731)	(15,962)	(50,894)	(44,361)	(5,288)
Redemptions - administration fees	11c (3)	(4)	(1)	(8)	(3)	-
Redemptions - insurance benefit and premium	(2)	-	-	-	(1)	-
Portfolio Investment Entity tax	55	253	50	620	269	(82)
	171,265	61,639	74,620	488,468	366,829	8,132
Closing value	174,255	54,439	72,347	427,849	340,729	8,831

The accompanying notes form part of and should be read in conjunction with these financial statements.

SUPERLIFE INVEST FUNDS

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
FOR THE YEAR ENDED 31 MARCH 2020

	Europe Fund	Global Property Fund	Emerging Markets Fund	Total World Fund	Ethica
	2020	2020	2020	2020	2020
Note	\$'000	\$'000	\$'000	\$'000	\$'000
Opening value	-	-	-	-	-
Total comprehensive income/(loss)	(219)	(9,349)	(1,391)	(383)	(3,180)
Subscriptions	8,332	62,772	35,469	15,057	69,819
Redemptions	(2,476)	(13,017)	(6,299)	(2,503)	(10,972)
Redemptions - administration fees	-	(1)	(2)	-	(2)
Redemptions - insurance benefit and premium	-	-	-	-	-
Portfolio Investment Entity tax	3	(48)	7	18	(73)
	5,859	49,706	29,175	12,572	58,772
Closing value	5,640	40,357	27,784	12,189	55,592

The accompanying notes form part of and should be read in conjunction with these financial statements.


SUPERLIFE INVEST FUNDS

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Note	SuperLife Income 2020 \$'000	SuperLife Growth 2020 \$'000	SuperLife Conservative 2020 \$'000	SuperLife High Growth 2020 \$'000	SuperLife Balanced 2020 \$'000	UK Cash Fund 2020 \$'000
Assets							
Cash and cash equivalents		-	2,606	1,306	14,150	7,140	8,926
Dividend and distributions receivable		350	36	100	167	357	-
Other receivables		64	14	25	43	75	2
Outstanding sales		-	-	654	-	-	-
Derivative financial instruments		1,749	-	113	-	-	-
Investments at fair value through profit or loss	7	172,792	53,762	70,432	425,168	339,842	-
Portfolio Investment Entity tax receivable		57	247	50	604	268	-
Total assets		175,012	56,665	72,680	440,132	347,682	8,928
Liabilities							
Derivative financial instruments		(615)	(273)	(318)	(2,315)	(1,668)	-
Bank overdraft		(92)	-	-	-	-	-
Fund expenses payable	11c	(50)	(12)	(15)	(101)	(88)	(15)
Outstanding purchases		-	(1,941)	-	(9,867)	(5,197)	-
Portfolio Investment Entity tax payable		-	-	-	-	-	(82)
Total liabilities		(757)	(2,226)	(333)	(12,283)	(6,953)	(97)
Net assets of your Fund		174,255	54,439	72,347	427,849	340,729	8,831


For and on behalf of the Manager, Smartshares Limited, which authorised the issue of the financial statements on 28 September 2020.

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Director

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Director

The accompanying notes form part of and should be read in conjunction with these financial statements.

SUPERLIFE INVEST FUNDS

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2020

		Europe Fund	Global Property Fund	Emerging Markets Fund	Total World Fund	Ethica
	Note	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000
Assets						
Cash and cash equivalents		1	210	379	-	1,564
Dividend and distributions receivable		-	-	13	-	97
Other receivables		6	44	1	9	15
Outstanding sales		-	-	-	-	-
Derivative financial instruments		-	1,164	-	-	-
Investments at fair value through profit or loss	7	5,632	40,331	27,392	12,163	54,414
Portfolio Investment Entity tax receivable		2	-	5	18	-
Total assets		5,641	41,749	27,790	12,190	56,090
Liabilities						
Derivative financial instruments		-	(328)	-	-	-
Bank overdraft		-	-	-	-	-
Fund expenses payable	11c	(1)	(43)	(6)	(1)	(58)
Outstanding purchases		-	(972)	-	-	(369)
Portfolio Investment Entity tax payable		-	(49)	-	-	(71)
Total liabilities		(1)	(1,392)	(6)	(1)	(498)
Net assets of your Fund		5,640	40,357	27,784	12,189	55,592

For and on behalf of the Manager, Smartshares Limited, which authorised the issue of the financial statements on 28 September 2020.

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Guy Elliffe

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Director

DocuSigned by:

M. J. O'Sullivan

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Director

The accompanying notes form part of and should be read in conjunction with these financial statements.

SUPERLIFE INVEST FUNDS

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

	SuperLife Income	SuperLife Growth	SuperLife Conservative	SuperLife High Growth	SuperLife Balanced	UK Cash Fund
	2020	2020	2020	2020	2020	2020
Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities						
Dividends and distributions received	3,887	846	1,126	6,308	6,173	-
Interest income received	16	5	5	48	34	16
Sale of investments	44,064	9,743	4,146	42,085	66,576	-
Other income received	-	-	-	-	-	-
Fund expenses paid	(87)	(28)	(22)	(238)	(154)	(31)
Purchase of investments	(46,198)	(19,809)	(24,410)	(82,071)	(68,856)	-
Net operating cash flows	10	(9,243)	(19,155)	(33,868)	3,773	(15)
Cash flows from financial activities						
Subscriptions	46,964	25,564	36,444	98,842	47,736	13,479
Redemptions	(48,701)	(13,731)	(15,962)	(50,894)	(44,361)	(5,336)
Redemptions - administration fees	(3)	(4)	(1)	(8)	(3)	-
Redemptions - insurance benefit and premium paid out	(2)	-	-	-	(1)	-
Portfolio Investment Entity tax (paid)/received	(32)	20	(20)	78	(4)	76
Net financial cash flows	(1,774)	11,849	20,461	48,018	3,367	8,219
Net increase/(decrease) in cash and cash equivalents held	(92)	2,606	1,306	14,150	7,140	8,204
Cash and cash equivalents at the beginning of the year	-	-	-	-	-	-
Effect of exchange rate fluctuations on cash and cash equivalents	-	-	-	-	-	722
Cash and cash equivalents at the end of the year	(92)	2,606	1,306	14,150	7,140	8,926
Cash and cash equivalents comprise of:						
Cash at bank	-	2,606	1,306	14,150	7,140	8,926
Bank overdraft	(92)	-	-	-	-	-
Cash and cash equivalents at the end of the year	(92)	2,606	1,306	14,150	7,140	8,926

The accompanying notes form part of and should be read in conjunction with these financial statements.

SUPERLIFE INVEST FUNDS

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

	Note	Europe Fund 2020 \$'000	Global Property Fund 2020 \$'000	Emerging Markets Fund 2020 \$'000	Total World Fund 2020 \$'000	Ethica 2020 \$'000
Cash flows from operating activities						
Dividends and distributions received		114	893	332	71	1,937
Interest income received		-	6	2	-	10
Sale of investments		2,410	39,237	6,862	2,370	8,075
Other income received		-	-	-	-	48
Fund expenses paid		(1)	(41)	(5)	-	(60)
Purchase of investments		(1,986)	(39,022)	(5,789)	(6,017)	(17,561)
Net operating cash flows	10	537	1,073	1,402	(3,576)	(7,551)
Cash flows from financial activities						
Subscriptions		1,939	12,195	5,274	6,078	20,157
Redemptions		(2,476)	(13,017)	(6,299)	(2,503)	(10,972)
Redemptions - administration fees		-	(1)	(2)	-	(2)
Redemptions - insurance benefit and premium paid out		-	-	-	-	-
Portfolio Investment Entity tax (paid)/received		1	(40)	4	1	(69)
Net financial cash flows		(536)	(863)	(1,023)	3,576	9,114
Net increase/(decrease) in cash and cash equivalents held		1	210	379	-	1,563
Cash and cash equivalents at the beginning of the year		-	-	-	-	-
Effect of exchange rate fluctuations on cash and cash equivalents		-	-	-	-	1
Cash and cash equivalents at the end of the year		1	210	379	-	1,564
Cash and cash equivalents comprise of:						
Cash at bank		1	210	379	-	1,564
Bank overdraft		-	-	-	-	-
Cash and cash equivalents at the end of the year		1	210	379	-	1,564

The accompanying notes form part of and should be read in conjunction with these financial statements.

SUPERLIFE INVEST FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. General information

The SuperLife Invest Funds are funds offered under a registered managed investment scheme called 'SuperLife Invest' (the "Scheme"). The Scheme was registered in New Zealand and established under the Financial Markets Conduct Act 2013 (the "FMCA 2013") for the principal purpose of providing investors access to a range of investment markets. The Scheme's registration number is SCH 10765. It is governed by the SuperLife Invest Master Trust Deed dated 14 September 2016 and as further amended and restated on 15 July 2019 (the "Trust Deed"). Each Fund in the Scheme is established as a separate and distinct trust fund.

During the year ended 31 March 2020, there were 40 funds under the Scheme and the funds' financial statements are divided into 6 sets. These financial statements are for SuperLife Invest Funds Part 4 and for the following funds (each a fund, collectively the "Funds"):

SuperLife Income
 SuperLife Growth
 SuperLife Conservative
 SuperLife High Growth
 SuperLife Balanced
 UK Cash Fund
 Europe Fund
 Global Property Fund
 Emerging Markets Fund
 Total World Fund
 Ethica

2. Reporting period

These are the Funds' first financial statements and are for the year 1 April 2019 to 31 March 2020.

3. Basis of preparation

The financial statements of the Funds have been drawn up in accordance with the Trust Deed and comply with the requirements of the FMCA 2013, New Zealand Generally Accepted Accounting Practice as defined in the Financial Reporting Act 2013, New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") and International Financial Reporting Standards ("IFRS"). The accounting policies have been consistently applied throughout the reporting period.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss. All amounts are in New Zealand Dollars (NZD), rounded to the nearest thousand. Where specific amounts are referred to in the note wording, the amounts are rounded to the nearest dollar. The NZD is also the functional currency of the Funds.

4. Critical accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates that affect the reported amounts and the application of accounting policies. It also requires the Manager to exercise its judgement in the process of applying the accounting policies of the Funds.

Discussion of the critical accounting estimates and judgements used is included in note 7 on financial instruments at fair value through profit or loss.

5. Summary of significant accounting policies

(a) Financial Instruments

Classification

The Funds classify their financial assets based on both the Funds' business model for managing those financial assets and the contractual cash flow characteristics of the financial assets in accordance with NZ IFRS 9: Financial Instruments.

(i) Financial assets and financial liabilities at fair value through profit or loss

These include investments at fair value through profit and loss and derivative instruments. The Funds mainly evaluate the information about these financial assets on a fair value basis together with other related financial information to assess the assets' performance and to make decisions.

SUPERLIFE INVEST FUNDS**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020****5. Summary of significant accounting policies (Continued)**

(ii) Financial assets at amortised cost

These include cash and cash equivalents and receivables.

(iii) Financial liabilities at amortised cost

These represent amounts recognised to be paid in the future for goods and services received. These include outstanding settlements and other accrued expenses.

Recognition, derecognition and measurement

Financial assets and financial liabilities are recognised on the date the fund becomes a party to the contractual agreement (trade date).

Financial assets are derecognised when the right to receive cash flows from the financial assets has expired or the fund has transferred substantially all of the risks and rewards of ownership. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expired.

Financial assets and financial liabilities held at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the Statement of Comprehensive Income. Subsequent to initial recognition, these are measured at fair value. Gains or losses arising from changes in the fair value of the financial instruments designated at fair value through profit or loss are presented in the Statement of Comprehensive Income within 'net changes in fair value of investments' in the period in which they arise.

Financial assets at amortised cost are measured at amortised cost, using the effective interest method, less an allowance for impairment based on the expected credit losses (ECL).

Financial liabilities at amortised cost are measured at amortised cost using the effective interest method.

Fair value determination

The fair value of financial instruments traded is based on quoted market prices at the reporting date. The quoted market price used for financial assets by the Funds is the last traded price.

For managed investment trusts where there is no active market the fair value is determined by the realisable value of the investments as advised by the investment managers based on the underlying market value on the reporting date.

For all other financial instruments not traded in an active market the fair value is determined using valuation techniques which include the use of recent comparable arms-length market transactions, reference to the current market value of another similar financial instrument, discounted cash flow analysis and other valuation models making the maximum use of market inputs and keeping judgemental inputs to a minimum.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of a fund or its counterparty.

(b) Cash and cash equivalents

Cash and cash equivalents ("Cash") means cash at bank, demand deposits and other highly liquid investments in which the Funds may invest as part of their day-to-day cash management. Cash does not include accounts receivables or payables, or any borrowings subject to a term facility.

SUPERLIFE INVEST FUNDS**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020****5. Summary of significant accounting policies (Continued)****(c) Foreign currency translation**

Foreign currency transactions are translated into the functional currency (NZD) using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses arising from translation are included in the Statement of Comprehensive Income. Foreign exchange gains and losses relating to financial assets and financial liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within 'net changes in fair value of investments'.

(d) Dividends and distributions income

Dividends and distributions income are recognised when the right to receive payment is established.

(e) Interest income

Interest income is recognised as the interest accrues using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

(f) Units

The Funds were unitised on 15 July 2019, refer to note 9.

The Funds issue units, which provide the holder with a beneficial interest in the Funds. The units are issued and redeemed based on the Funds' net asset value per unit at the time of issue or redemption, which is calculated by dividing the net assets attributable to the unitholders by the total number of outstanding units.

The units meet the definition of puttable instruments and are classified as equity instruments under NZ IAS 32 Financial Instruments: Presentation.

(g) Securities lending

Certain funds enter into securities lending transactions whereby they lend securities, recognised on the Statement of Financial Position, but retain either all or substantially all of the risk and rewards of the lent securities. As all or substantially all risks and rewards are retained, the lent securities are not derecognised.

(h) Fees and expenses

The Funds incur fees and expenses from a range of services received from various service providers, including reimbursable expenses allowed by the Trust Deed. Fees are accrued as services are rendered.

(i) Taxation

Each of the Funds is a Portfolio Investment Entity ("PIE"). Under the PIE regime, income is effectively taxed in the hands of the unitholders and therefore the Funds do not have an income tax liability on their accounts.

Taxable income is attributed to unitholders in accordance with their proportionate interest in the Funds. Income attributed to each unitholder is taxed at the unitholders Prescribed Investor Rate which is capped at 28%. The tax balance included in the Statement of Financial Position represents PIE tax receivable or payable on behalf of the unitholders.

(j) Goods and services tax (GST)

The Funds are not registered for GST and consequently all components of the financial statements are stated inclusive of GST where appropriate.

(k) Insurance

Insurance claim proceeds in respect of life, medical and disability insurance, are shown as insurance proceeds received from insurers when the money is received. Payments to the unitholders or beneficiaries are shown as benefit payments when the insurance proceeds are paid to the members or beneficiaries.

SUPERLIFE INVEST FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

5. Summary of significant accounting policies (Continued)

(l) Changes in accounting policies and accounting standards adopted during the year

A number of new standards are effective from 1 April 2019, including NZ IFRS 16 but they do not have any material effect on the fund's financial statements.

(m) Issued but not yet effective accounting standards

A number of accounting standards have been issued or revised that are not yet effective as at 31 March 2020, and were identified as not applicable to the Funds.

6. Risk

The Funds' investment activities directly expose them to market risk (market price risk, currency risk and interest rate risk), credit risk, liquidity risk and securities lending risk. Additionally, the Funds are also indirectly exposed to a variety of financial risks including credit, currency, interest rate, market price and liquidity risks through the holding of the investments in managed investment trusts.

The financial risk management disclosures have been prepared on the basis of the Fund's direct investments and not on a full look through basis for the investments held indirectly through the managed investment trusts.

6a Market risk

Market price risk is the risk of gains or losses from changes in the market price of underlying investments. Currency risk is the risk of gains or losses or changes in the New Zealand dollar value due to changes in foreign exchange rates. Currency risk may be managed by using derivatives to hedge the risk. Interest rate risk is the risk of gains or losses in interest income from changes in market interest rates.

An analysis of the financial risks arising from the direct investments of the Funds is set out below:

Market price risk

Equity securities held are exposed to market price risk arising from uncertainties about future prices of financial instruments. Because the Funds invest in exchange traded funds (ETFs), equity securities and other managed investment trusts, the value of the Funds will move up and down with the market.

A 10% annual increase/decrease in equity prices is considered to be a reasonably likely percentage change based on the historical performance of the underlying investments and represents the exposure to market price risk for the year ended 31 March 2020.

A 10% increase/decrease in prices would have increased/decreased net profit and unitholders funds as shown in the table below:

	SuperLife Income	SuperLife Growth	SuperLife Conservative	SuperLife High Growth	SuperLife Balanced	UK Cash Fund
	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000
Impact of 10% change in market prices +/-	17,279	5,376	7,043	42,517	33,984	-

	Europe Fund	Global Property Fund	Emerging Markets Fund	Total World Fund	Ethica
	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000
Impact of 10% change in market prices +/-	563	4,033	2,739	1,216	5,441

SUPERLIFE INVEST FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

6. Risk (Continued)

Currency risk

Funds holding foreign investments have exposure to currency risk.

A 10% strengthening/weakening of the New Zealand dollar is considered to be a reasonably likely percentage change and represents the exposure to currency price risk during the year ended 31 March 2020.

A 10% increase/decrease in the value of the New Zealand dollar would have an adverse/favourable impact on the value of the Funds' net assets as follows:

	SuperLife Income	SuperLife Growth	SuperLife Conservative	SuperLife High Growth	SuperLife Balanced	UK Cash Fund
	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000
AUD	492	299	207	3,213	1,415	-
EUR	-	259	120	2,615	1,220	-
GBP	-	112	52	1,131	528	883
JPY	-	190	89	1,916	895	-
USD	-	1,088	489	10,991	5,123	-
Others	-	62	29	625	291	-

	Europe Fund	Global Property Fund	Emerging Markets Fund	Total World Fund	Ethica
	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000
AUD	-	7,786	-	-	867
EUR	-	-	-	-	-
GBP	-	-	-	-	-
JPY	-	-	-	-	-
USD	-	-	-	-	-
Others	-	-	-	-	-

SUPERLIFE INVEST FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

6. Risk (Continued)

Interest rate risk

The Funds hold cash assets that have exposure to interest rate risks.

A 1% increase/decrease in the interest rate would have an impact on the value of the Funds' net assets as follows:

	SuperLife Income	SuperLife Growth	SuperLife Conservative	SuperLife High Growth	SuperLife Balanced	UK Cash Fund
	2020	2020	2020	2020	2020	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Impact of 1% change in interest rate +/-(-)	-	26	13	141	71	89

	Europe Fund	Global Property Fund	Emerging Markets Fund	Total World Fund	Ethica
	2020	2020	2020	2020	2020
	\$'000	\$'000	\$'000	\$'000	\$'000
Impact of 1% change in interest rate +/-(-)	-	2	4	-	16

6b Credit risk

The Funds are exposed to the potential risk of financial loss resulting from the failure of counterparties to fully honour the terms of conditions of a contract with the Funds. The maximum credit risk of financial instruments is considered to be their carrying value. Financial instruments that subject the Funds to credit risk consist primarily of cash, receivables and derivatives. The analysis below summarises the credit quality of the Funds' exposure rated externally by Standard & Poor's.

	SuperLife Income	SuperLife Growth	SuperLife Conservative	SuperLife High Growth	SuperLife Balanced	UK Cash Fund
	2020	2020	2020	2020	2020	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
AAA to AA-	1,749	2,606	1,419	14,150	7,140	8,926

	Europe Fund	Global Property Fund	Emerging Markets Fund	Total World Fund	Ethica
	2020	2020	2020	2020	2020
	\$'000	\$'000	\$'000	\$'000	\$'000
AAA to AA-	1	1,374	379	-	1,564

SUPERLIFE INVEST FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

6. Risk (Continued)

6c Liquidity risk

In accordance with the Funds' policy, the Manager monitors the Funds' liquidity position on a daily basis. Liquidity management is designed to ensure that the Funds have the ability to generate sufficient cash in a timely manner to meet their financial commitments and normal levels of redemptions. The Manager regularly monitors market volatility and redemption levels to establish each fund's appropriate liquidity level. In the event of abnormal levels of redemptions, timing of payments may depend on the ability of the particular fund to realise its underlying investments on a timely basis.

The Funds continue to maintain appropriate levels of liquidity and meet their normal redemption obligations in the rapidly changing COVID-19 environment.

6d Security lending risk

A number of possible risks arise from the Funds' securities lending program. These include, but are not limited to, the risk that a borrower of securities fails to deliver equivalent securities on termination of a loan and the risk that the lending contract will for whatever reason not be legally enforceable.

In order to limit the Funds' exposure to risk that may arise from securities lending, there is a limitation on the value of securities that a fund may lend at any point in time and a requirement that collateral be held by the custodian.

As at 31 March 2020, various securities were lent to Craigs Investment Partners Limited.

7. Investments

Financial instruments measured at fair value are categorised across the following 3 levels based on the degree to which their fair value is observable, Level 1 - Fair value measurements are derived from quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 - Fair value measurements are derived from inputs other than quoted prices included within Level 1 that are observable either directly or indirectly; Level 3, Fair value measurements are derived from valuation methods that include inputs that are not based on observable market data.

The fair value for investments in underlying ETFs, listed managed investment trusts and equities is based on their last traded price and defined as Level 1. Fair value for investments in unlisted managed investment trust is based on their quoted redemption price, and categorised as Level 2 in the hierarchy. Forward foreign exchange contracts are marked to market at the currency forward exchange rate at the reporting date for contracts with similar maturity and risk profiles and categorised as Level 2.

There were no transfers between levels during the year ended 31 March 2020.

The COVID-19 outbreak which was declared a global pandemic by the World Health Organisation in March 2020 caused widespread uncertainty across global economies and the market impact of this is reflected in the value of the investments disclosed in the financial statements as at 31 March 2020. Following the year ended 31 March 2020, the value of the investments have shown evidence of recovery.

There was no impact on the categorisation of investments held in accordance with the fair value hierarchy as at 31 March 2020 and this remains as disclosed above.

SUPERLIFE INVEST FUNDS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

7. Investments (Continued)

	SuperLife Income 31 March 2020			SuperLife Growth 31 March 2020			SuperLife Conservative 31 March 2020			SuperLife High Growth 31 March 2020		
	Level 1 \$'000	Level 2 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Total \$'000
Financial assets at fair value through profit or loss												
<i>Investments:</i>												
ETFs	116,381	-	116,381	48,217	-	48,217	52,292	-	52,292	407,832	-	407,832
Listed equities and managed investment trusts	-	-	-	111	-	111	39	-	39	1,317	-	1,317
Unlisted managed investment trusts	-	56,411	56,411	-	5,434	5,434	-	18,101	18,101	-	16,019	16,019
	<u>116,381</u>	<u>56,411</u>	<u>172,792</u>	<u>48,328</u>	<u>5,434</u>	<u>53,762</u>	<u>52,331</u>	<u>18,101</u>	<u>70,432</u>	<u>409,149</u>	<u>16,019</u>	<u>425,168</u>
<i>Derivative financial instruments</i>												
Forward foreign exchange contracts	-	1,749	1,749	-	-	-	-	113	113	-	-	-
	<u>-</u>	<u>1,749</u>	<u>1,749</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>113</u>	<u>113</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities at fair value through profit or loss												
<i>Derivative financial instruments</i>												
Forward foreign exchange contracts	-	615	615	-	273	273	-	318	318	-	2,315	2,315
	<u>-</u>	<u>615</u>	<u>615</u>	<u>-</u>	<u>273</u>	<u>273</u>	<u>-</u>	<u>318</u>	<u>318</u>	<u>-</u>	<u>2,315</u>	<u>2,315</u>
	SuperLife Balanced 31 March 2020			UK Cash Fund 31 March 2020			Europe Fund 31 March 2020			Global Property Fund 31 March 2020		
	Level 1 \$'000	Level 2 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Total \$'000
Financial assets at fair value through profit or loss												
<i>Investments :</i>												
ETFs	281,488	-	281,488	-	-	-	5,632	-	5,632	20,931	-	20,931
Listed equities and managed investment trusts	635	-	635	-	-	-	-	-	-	-	-	-
Unlisted managed investment trusts	-	57,719	57,719	-	-	-	-	-	-	-	19,400	19,400
	<u>282,123</u>	<u>57,719</u>	<u>339,842</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,632</u>	<u>-</u>	<u>5,632</u>	<u>20,931</u>	<u>19,400</u>	<u>40,331</u>
<i>Derivative financial instruments</i>												
Forward foreign exchange contracts	-	-	-	-	-	-	-	-	-	-	1,164	1,164
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,164</u>	<u>1,164</u>
Financial liabilities at fair value through profit or loss												
<i>Derivative financial instruments</i>												
Forward foreign exchange contracts	-	1,668	1,668	-	-	-	-	-	-	-	328	328
	<u>-</u>	<u>1,668</u>	<u>1,668</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>328</u>	<u>328</u>

SUPERLIFE INVEST FUNDS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

7. Investments (Continued)

	Emerging Markets Fund 31 March 2020			Total World Fund 31 March 2020			Ethica 31 March 2020		
	Level 1 \$'000	Level 2 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Total \$'000
Financial assets at fair value through profit or loss									
<i>Investments:</i>									
ETFs	27,392	-	27,392	12,163	-	12,163	8,997	-	8,997
Listed equities and managed investment trusts	-	-	-	-	-	-	59	-	59
Unlisted managed investment trusts	-	-	-	-	-	-	-	45,358	45,358
	<u>27,392</u>	<u>-</u>	<u>27,392</u>	<u>12,163</u>	<u>-</u>	<u>12,163</u>	<u>9,056</u>	<u>45,358</u>	<u>54,414</u>

8. Resettlements

Effective 11:59pm on 31 March 2019 the Funds received assets and liabilities as a result of the resettlement of the SuperLife Invest Managed Investment Scheme into 37 distinct segregated funds (standalone trusts). The value of the resettled assets and liabilities for each of the Funds included in the financial statements are presented in the table below:

	SuperLife Income 2020 \$'000	SuperLife Growth 2020 \$'000	SuperLife Conservative 2020 \$'000	SuperLife High Growth 2020 \$'000	SuperLife Balanced 2020 \$'000	UK Cash Fund 2020 \$'000
Investments at fair value through profit or loss	172,996	49,532	54,107	439,759	363,170	-
Cash and cash equivalents	1,908	457	396	4,932	3,174	10,986
Receivables	38	42	17	338	162	77
Payables	(83)	(18)	(35)	(188)	(142)	(53)
	<u>174,859</u>	<u>50,013</u>	<u>54,485</u>	<u>444,841</u>	<u>366,364</u>	<u>11,010</u>

	Europe Fund 2020 \$'000	Global Property Fund 2020 \$'000	Emerging Markets Fund 2020 \$'000	Total World Fund 2020 \$'000	Ethica 2020 \$'000
Investments at fair value through profit or loss	6,393	50,629	30,176	8,979	49,606
Cash and cash equivalents	-	810	133	-	1,479
Receivables	2	7	20	4	95
Payables	(2)	(58)	(1)	(3)	(86)
	<u>6,393</u>	<u>51,388</u>	<u>30,328</u>	<u>8,980</u>	<u>51,094</u>

SUPERLIFE INVEST FUNDS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

9. Units on issue ('000 units)

	SuperLife Income	SuperLife Growth	SuperLife Conservative	SuperLife High Growth	SuperLife Balanced	UK Cash Fund
	2020 Units '000	2020 Units '000	2020 Units '000	2020 Units '000	2020 Units '000	2020 Units '000
Opening balance	-	-	-	-	-	-
Units issued due to Funds unitisation on 15 July 2019	190,152	59,447	59,445	487,954	387,088	11,605
Subscriptions from unitholders	30,366	17,205	32,328	78,593	34,438	1,211
Redemptions by unitholders	(46,221)	(13,947)	(15,276)	(51,115)	(42,843)	(4,774)
Closing balance	174,297	62,705	76,497	515,432	378,683	8,042

	Europe Fund	Global Property Fund	Emerging Markets Fund	Total World Fund	Ethica
	2020 Units '000	2020 Units '000	2020 Units '000	2020 Units '000	2020 Units '000
Opening balance	-	-	-	-	-
Units issued due to Funds unitisation on 15 July 2019	6,658	54,649	32,804	10,665	56,512
Subscriptions from unitholders	1,598	11,081	3,571	4,258	14,877
Redemptions by unitholders	(1,966)	(12,173)	(5,887)	(1,786)	(10,620)
Closing balance	6,290	53,557	30,488	13,137	60,769

SUPERLIFE INVEST FUNDS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

10. Reconciliation of net profit/(loss) to net cash flows from operating activities

	SuperLife Income	SuperLife Growth	SuperLife Conservative	SuperLife High Growth	SuperLife Balanced	UK Cash Fund
	2020	2020	2020	2020	2020	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net profit /(loss)	2,990	(7,200)	(2,273)	(60,619)	(26,100)	699
<i>Adjustments for:</i>						
Payments for the purchase of investments and derivatives	(46,198)	(19,809)	(24,410)	(82,071)	(68,856)	-
Proceeds from sale of investments and derivatives	44,064	9,743	4,146	42,085	66,576	-
Realised (gain)/loss on investments and derivatives	1,212	3,761	334	32,182	13,071	-
Unrealised (gain)/loss on investments and derivatives	3,606	5,521	4,295	44,893	27,179	-
Foreign exchange (gain)/loss	115	34	59	218	322	(722)
Non cash distributions	(3,728)	(1,265)	(1,198)	(10,533)	(8,099)	-
Increase in receivables	(414)	(50)	(125)	(210)	(432)	(2)
Increase in payables	50	12	15	101	88	15
Movement in resettled receivables and payables	(15)	10	2	86	24	(5)
Net cash flows from operating activities	<u>1,682</u>	<u>(9,243)</u>	<u>(19,155)</u>	<u>(33,868)</u>	<u>3,773</u>	<u>(15)</u>

	Europe Fund	Global Property Fund	Emerging Markets Fund	Total World Fund	Ethica
	2020	2020	2020	2020	2020
	\$'000	\$'000	\$'000	\$'000	\$'000
Net profit /(loss)	(219)	(9,349)	(1,391)	(383)	(3,180)
<i>Adjustments for:</i>					
Payments for the purchase of investments and derivatives	(1,986)	(39,022)	(5,789)	(6,017)	(17,561)
Proceeds from sale of investments and derivatives	2,410	39,237	6,862	2,370	8,075
Realised (gain)/loss on investments and derivatives	(101)	(548)	(81)	(107)	287
Unrealised (gain)/loss on investments and derivatives	545	10,607	2,395	1,026	4,989
Foreign exchange (gain)/loss	-	160	-	-	5
Non cash distributions	(107)	-	(604)	(457)	(188)
Increase in receivables	(6)	(44)	(14)	(9)	(112)
Increase in payables	1	43	6	1	58
Movement in resettled receivables and payables	-	(11)	18	-	76
Net cash flows from operating activities	<u>537</u>	<u>1,073</u>	<u>1,402</u>	<u>(3,576)</u>	<u>(7,551)</u>

SUPERLIFE INVEST FUNDS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

11. Related party transactions

11a. Related parties investment in SuperLife Invest Scheme

The following is a summary of the investments and transactions as at 31 March 2020 relating to SuperLife workplace savings scheme ("SLWS"), SuperLife KiwiSaver scheme ("SLKS") and SuperLife UK pension transfer scheme ("SLUK"), which are schemes managed by the Manager.

	SuperLife Income	SuperLife Growth	SuperLife Conservative	SuperLife High Growth	SuperLife Balanced	UK Cash Fund
	2020	2020	2020	2020	2020	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	-	-	-	-	-	-
Subscriptions from schemes	199,664	59,768	79,648	507,814	384,391	13,014
Redemptions by schemes	(40,449)	(10,625)	(14,438)	(45,909)	(36,268)	(5,144)
Change in value	2,879	(6,065)	(2,054)	(60,806)	(26,169)	452
Closing balance	162,094	43,078	63,156	401,099	321,954	8,322

	Europe Fund	Global Property Fund	Emerging Markets Fund	Total World Fund	Ethica
	2020	2020	2020	2020	2020
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	-	-	-	-	-
Subscriptions from schemes	6,096	56,353	32,499	7,417	58,728
Redemptions by schemes	(1,790)	(10,784)	(5,588)	(1,538)	(8,027)
Change in value	(250)	(8,333)	(2,308)	(83)	(2,600)
Closing balance	4,056	37,236	24,603	5,796	48,101

SUPERLIFE INVEST FUNDS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

11. Related party transactions (Continued)

11b. Related party holdings

The Funds invest in ETFs and other managed investment trusts, managed by Smartshares Limited. As at 31 March 2020, the holdings and transactions are as follows:

	SuperLife Income	SuperLife Growth	SuperLife Conservative	SuperLife High Growth	SuperLife Balanced	UK Cash Fund
	2020	2020	2020	2020	2020	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	-	-	-	-	-	-
Purchases	152,491	64,389	59,053	511,978	370,436	-
Sales	(32,585)	(11,243)	(4,220)	(67,636)	(69,157)	-
Realised/unrealised changes in fair value of investments	<u>(3,525)</u>	<u>(4,929)</u>	<u>(2,541)</u>	<u>(36,510)</u>	<u>(19,791)</u>	-
Closing balance	116,381	48,217	52,292	407,832	281,488	-

	Europe Fund	Global Property Fund	Emerging Markets Fund	Total World Fund	Ethica
	2020	2020	2020	2020	2020
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	-	-	-	-	-
Purchases	8,486	60,775	36,568	15,452	18,755
Sales	(2,410)	(35,247)	(6,862)	(2,370)	(2,549)
Realised/unrealised changes in fair value of investments	<u>(444)</u>	<u>(4,597)</u>	<u>(2,314)</u>	<u>(919)</u>	<u>(1,545)</u>
Closing balance	5,632	20,931	27,392	12,163	14,661

The distributions received from the ETFs and managed investment trusts for the year end 31 March 2020 are as follows:

	SuperLife Income	SuperLife Growth	SuperLife Conservative	SuperLife High Growth	SuperLife Balanced	UK Cash Fund
	2020	2020	2020	2020	2020	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Distributions received	6,217	2,026	2,014	16,812	13,137	-
Remaining distribution receivable	-	-	-	-	-	-

SUPERLIFE INVEST FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

11. Related party transactions (Continued)

	Europe Fund	Global Property Fund	Emerging Markets Fund	Total World Fund	Ethica
	2020	2020	2020	2020	2020
	\$'000	\$'000	\$'000	\$'000	\$'000
Distributions received	221	894	936	528	669
Remaining distribution receivable	-	-	-	-	97

11c. Manager's fees

The Manager is entitled to receive an administration fee of \$12 per annum for each unitholder and a paper statements fee of \$18 per annum for each unitholder who has chosen to receive statements and other communications in paper form. The Manager also receives an administration fee for arranging insurance cover as agreed between the unitholder and the Manager.

The administration fee, paper statements fee and fixed dollar amount of the insurance administration fee disclosed above are stated net of an income tax deduction applied in calculating the unitholders PIE tax payable. The relevant gross fee which is calculated using the unitholders Prescribed Investor Rate is paid to the Manager.

Fund expenses disclosed in the Statement of Comprehensive Income represent regular fund charges which are a percentage per annum of the fund's net asset value. This includes fees and costs charged by the Supervisor, custodian, administrator, any fee due at the investment level, regulatory and compliance cost. Of the total fund expenses, the Manager receives any remaining amounts due after all fees and costs are paid. In the event that fees and costs of the fund exceeds the regular fund charges, this shortfall will be covered by the Manager.

At 31 March 2020, the total amounts due to or from the Manager are as follows:

	SuperLife Income	SuperLife Growth	SuperLife Conservative	SuperLife High Growth	SuperLife Balanced	UK Cash Fund
	2020	2020	2020	2020	2020	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Manager's fee - administration fee	3	4	1	8	3	-
Manager's fee - percentage of assets	194	63	59	582	443	34
Manager's fee - percentage of assets - remaining as payable/(receivable) at year end	9	(5)	(1)	(13)	3	10

SUPERLIFE INVEST FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

11. Related party transactions (Continued)

	Europe Fund	Global Property Fund	Emerging Markets Fund	Total World Fund	Ethica
	2020	2020	2020	2020	2020
	\$'000	\$'000	\$'000	\$'000	\$'000
Manager's fee - administration fee	-	1	2	-	2
Manager's fee - percentage of assets	3	88	31	-	95
Manager's fee - percentage of assets - remaining as payable/(receivable) at year end	(6)	24	(1)	(9)	43

During the year ended 31 March 2020, SLWS, SLKS and SLUK were charged the standard fees applicable to all unitholders in the Funds.

11d. Securities lending

In March 2020, the Funds entered into securities lending agreements with various market participants and the Manager. The Funds will earn fifty percent of the total fee earned from the securities lending agreements and the remaining fifty percent will be income due to the Manager. There were fees earned by the Funds and the Manager for the year ended 31 March 2020, all the amounts were immaterial except for SuperLife High Growth which received \$1,000.

As at 31 March 2020, various securities were lent to Craigs Investment Partners Limited.

11e. Other related party transactions

The following table lists the funds that are substantial shareholders in Wellington Drive Technologies Limited. It also shows the shares acquired, shares disposed and closing balances in units and dollars as at the end of 31 March 2020.

	SuperLife Growth	SuperLife Conservative	SuperLife High Growth	SuperLife Balanced
	2020	2020	2020	2020
	Units	Units	Units	Units
	'000	'000	'000	'000
Shares acquired	2,072	723	24,494	11,813
Shares disposed	(1,162)	(406)	(13,737)	(6,625)
Total shares	<u>910</u>	<u>317</u>	<u>10,757</u>	<u>5,188</u>

SUPERLIFE INVEST FUNDS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

11. Related party transactions (Continued)

	SuperLife Growth	SuperLife Conservative	SuperLife High Growth	SuperLife Balanced
	2020	2020	2020	2020
	\$'000	\$'000	\$'000	\$'000
Shares acquired	539	188	6,368	3,071
Shares disposed	(163)	(57)	(1,921)	(927)
Change in value	<u>(295)</u>	<u>(103)</u>	<u>(3,490)</u>	<u>(1,682)</u>
Total value	<u><u>81</u></u>	<u><u>28</u></u>	<u><u>957</u></u>	<u><u>462</u></u>

12. Audit fees

	SuperLife Income	SuperLife Growth	SuperLife Conservative	SuperLife High Growth	SuperLife Balanced	UK Cash Fund
	2020	2020	2020	2020	2020	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial statements audit	3	3	3	3	3	3
Control assurance engagement	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
	<u><u>4</u></u>	<u><u>4</u></u>	<u><u>4</u></u>	<u><u>4</u></u>	<u><u>4</u></u>	<u><u>4</u></u>

	Europe Fund	Global Property Fund	Emerging Markets Fund	Total World Fund	Ethica
	2020	2020	2020	2020	2020
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial statements audit	3	3	3	3	3
Control assurance engagement	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
	<u><u>4</u></u>	<u><u>4</u></u>	<u><u>4</u></u>	<u><u>4</u></u>	<u><u>4</u></u>

The fee paid for the registry compliance audit of the SuperLife Invest Scheme for the year ended 31 March 2020 was \$1,000.

SUPERLIFE INVEST FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

13. Commitments and contingencies

There are no material liabilities, collateral or capital commitments as at 31 March 2020.

14. Subsequent events

Effective 15 July 2020, the following funds had name changes; SuperLife Income Fund (previously named SuperLife Income), SuperLife Conservative Fund (previously named SuperLife Conservative), SuperLife Balanced Fund (previously named SuperLife Balanced), SuperLife Growth Fund (previously named SuperLife Growth), SuperLife High Growth Fund (previously named SuperLife High Growth) and Ethica Fund (previously named Ethica).

There have been no further material events after the reporting date that require adjustments to or disclosures in the financial statements.



Independent Auditor's Report

To the unitholders of:

- SuperLife Income
- SuperLife Growth
- SuperLife Conservative
- SuperLife High Growth
- SuperLife Balanced
- UK Cash Fund
- Europe Fund
- Global Property Fund
- Emerging Markets Fund
- Total World Fund
- Ethica

(Collectively referred to as the "Funds")

Report on the audit of the financial statements

Opinion

In our opinion, the accompanying financial statements of the Funds on pages 2 to 26:

- i. present fairly in all material respects the Funds' financial position as at 31 March 2020 and its financial performance and cash flows for the year ended on that date; and
- ii. comply with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

We have audited the accompanying financial statements which comprise:

- the statement of financial position as at 31 March 2020;
- the statements of comprehensive income, changes in net assets attributable to unitholders and cash flows for the year then ended; and
- notes, including a summary of significant accounting policies and other explanatory information.



Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Funds in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our responsibilities under ISAs (NZ) are further described in the auditor's responsibilities for the audit of the financial statements section of our report.



Our firm has also provided statutory audit services to Smartshares Limited (the “Manager”) and provided controls assurance and registry assurance to the Funds. The provision of these other services has not impaired our independence as auditor of the Fund. Subject to certain restrictions, partners and employees of our firm may also deal with the Funds on normal terms within the ordinary course of trading activities of the business of the Funds. These matters have not impaired our independence as auditor of the Funds. The firm has no other relationship with, or interest in, the Funds.

Materiality

The scope of our audit was influenced by our application of materiality. Materiality helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole. The materiality for the financial statements as a whole was set with a reference to a benchmark of the Funds’ total assets. We chose the benchmark because, in our view, this is a key measure of the Funds’ performance.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements in the current period. We summarise below those matters and our key audit procedures to address those matters in order that the unitholders as a body may better understand the process by which we arrived at our audit opinion. Our procedures were undertaken in the context of and solely for the purpose of our statutory audit opinion on the financial statements as a whole and we do not express discrete opinions on separate elements of the financial statements

COVID 19

The Covid-19 pandemic has created additional risks, particularly with the valuation of investments, liquidity and going concern. Some investments may have become more difficult to value, as they either experience significant events, or become less liquid and actively traded. Additional disclosures may be required to ensure there is adequate disclosure of changes to fair value levels for securities, liquidity risks, market risks and subsequent events where there are material withdrawals, other material impacts on liquidity and changes to the value of the Funds. While the key audit matter “Valuation and existence of investments”, detailed below, the underlying audit risk has increased which impacted the extent and nature of audit evidence that we had to gather.

The key audit matter

How the matter was addressed in our audit

Valuation and existence of investments

Refer to Note 7 of the Funds’ financial statements. The Funds’ portfolio of investments

makes up majority of total assets. We do not consider these investments to be at high risk of significant misstatement, or be subject to a significant level of judgement. However, due to their materiality in the context of the financial statements as a whole, they are considered to be the area which had the greatest effect on our overall audit strategy and allocation of

Our audit procedures included:

- documenting and understanding the processes in place to record investment transactions and to value the portfolio. This included evaluating the control environment in place at the administration manager by obtaining and reading a report issued by an independent auditor on the design and operation of those controls and where necessary performed additional testing of these controls to 31 March.
 - agreeing the exit price of the investments to independent third party sources.
 - agreeing investment holdings to confirmations received from the administration manager.
-



The key audit matter

How the matter was addressed in our audit

resources in planning and completing our audit.

We did not identify any material differences in relation to the carrying amount of investments.



Other information

The Manager, on behalf of the Funds, are responsible for the other information included in the entity's Annual Report. Other information includes the details and changes to the Fund and other information. Our opinion on the financial statements does not cover any other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Use of this independent auditor's report

This independent auditor's report is made solely to the unitholders as a body. Our audit work has been undertaken so that we might state to the unitholders those matters we are required to state to them in the independent auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the unitholders as a body for our audit work, this independent auditor's report, or any of the opinions we have formed.



Responsibilities of Manager for the financial statements

The Manager, on behalf of the Funds, are responsible for:

- the preparation and fair presentation of the financial statements in accordance with generally accepted accounting practice in New Zealand (being New Zealand Equivalents to International Financial Reporting Standards) and International Financial Reporting Standards;
- implementing necessary internal control to enable the preparation of a set of financial statements that is fairly presented and free from material misstatement, whether due to fraud or error; and
- assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations, or have no realistic alternative but to do so.



Auditor's responsibilities for the audit of the financial statements

Our objective is:

- to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and



— to issue an independent auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs NZ will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of these financial statements is located at the External Reporting Board (XRB) website at:

<http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-2/>

This description forms part of our independent auditor's report.

The engagement partner on the audit resulting in this independent auditor's report is Graeme Edwards.

For and on behalf of

A handwritten signature in blue ink that reads 'KPMG'.

KPMG
Wellington

28 September 2020


Certificate Of Completion

Envelope Id: 2E6703DB77BF4E74A4A03C4FD3A2F335	Status: Completed
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Source Envelope:	
Document Pages: 106	Signatures: 16
Certificate Pages: 5	Initials: 0
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Envelopeld Stamping: Enabled	Tim Bennett
Time Zone: (UTC+12:00) Auckland, Wellington	NZX Limited
	Level 1, 11 Cable Street
	Wellington, Wellington Central 6011
	tw.bennett@nzx.com
	IP Address: 103.103.41.59

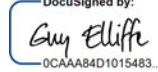
Record Tracking

Status: Original	Holder: Tim Bennett	Location: DocuSign
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Guy Elliffe

 Director
 Security Level: Email, Account Authentication (None)

Signature


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 Signed: September 29, 2020 | 11:08

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Accepted: September 29, 2020 | 11:06
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Mark Peterson

 CEO - NZX
 Security Level: Email, Account Authentication (None)

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 Signed: September 29, 2020 | 11:32

Electronic Record and Signature Disclosure:

Accepted: September 29, 2020 | 11:32
 ID: b391a660-2b03-4dce-91ff-564cd468d73e

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Editor Delivery Events	Status	Timestamp
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Intermediary Delivery Events	Status	Timestamp
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Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	September 29, 2020 11:05
Certified Delivered	Security Checked	September 29, 2020 11:32
Signing Complete	Security Checked	September 29, 2020 11:32
Completed	Security Checked	September 29, 2020 11:32

Payment Events	Status	Timestamps
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Electronic Record and Signature Disclosure



SUPERLIFE INVEST FUNDS

PART 5

SUPERLIFE BALANCED (AUSTRALIAN DOLLAR)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

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Statement of Cash Flows	4
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SUPERLIFE BALANCED (AUSTRALIAN DOLLAR)

Manager	Smartshares Limited
Registered Office	Level 1 NZX Centre 11 Cable Street, Wellington 6140 New Zealand
Licensed Supervisor	Public Trust
Administrators	Smartshares Limited (ceased 11 July 2019) BNP Paribas Fund Services Australasia Pty Limited, New Zealand branch (since 12 July 2019)
Custodian	BNP Paribas Fund Services Australasia Pty Limited, New Zealand branch
Auditor	KPMG

SUPERLIFE BALANCED (AUSTRALIAN DOLLAR)

STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 31 MARCH 2020

	Note	Year ended 31 March 2020 \$	Period ended 31 March 2019 \$
Income			
Distributions		59,164	2,655
Interest income		2,574	1,431
Net changes in fair value of investments		(459,521)	45,885
Other foreign exchange losses		<u>(14)</u>	<u>(6)</u>
Net income		<u>(397,797)</u>	<u>49,965</u>
Expenses			
Fund expenses	10	<u>(4,183)</u>	<u>(10,740)</u>
Total expenses		<u>(4,183)</u>	<u>(10,740)</u>
Net (loss)/profit before membership activities		(401,980)	39,225
MEMBERSHIP ACTIVITIES			
<i>Contributions received from members</i>			
Member contributions		3,597,592	1,493,914
<i>Less: withdrawal benefits paid</i>			
Member withdrawals		(594,425)	(8,600)
Member withdrawals - administration fees		<u>(31,071)</u>	<u>-</u>
Net membership activities		<u>2,972,096</u>	<u>1,485,314</u>
Increase in net assets during the year/period		2,570,116	1,524,539
Net assets available for benefits			
Opening balance		1,524,539	-
Increase in net assets during the year/period		<u>2,570,116</u>	<u>1,524,539</u>
Members' interests at the end of the year/period		<u>4,094,655</u>	<u>1,524,539</u>

* The Fund was unitised on 15 July 2019, all members' interests have been unitised. Refer to note 8.

The accompanying notes form part of and should be read in conjunction with these financial statements.

SUPERLIFE BALANCED (AUSTRALIAN DOLLAR)**STATEMENT OF NET ASSETS
AS AT 31 MARCH 2020**


	Note	31 March 2020 \$	31 March 2019 \$
Assets			
Cash at bank		1,025,229	763,747
Distributions receivable		-	352
Investments at fair value through profit or loss	7	<u>3,082,714</u>	<u>771,012</u>
Total assets		4,107,943	1,535,111
Liabilities			
Bank overdraft		(633)	-
Fund expenses payable		<u>(12,655)</u>	<u>(10,572)</u>
Total liabilities		(13,288)	(10,572)
Net assets available for benefits		<u>4,094,655</u>	<u>1,524,539</u>

For and on behalf of the Manager, Smartshares Limited, which authorised the issue of the financial statements on 28 September 2020.

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Director

DocuSigned by:

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Director

The accompanying notes form part of and should be read in conjunction with these financial statements.

SUPERLIFE BALANCED (AUSTRALIAN DOLLAR)**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020**

	Year ended 31 March 2020	Period ended 31 March 2019
	\$	\$
Cash flows from operating activities		
Distributions received	59,516	2,297
Interest income received	2,697	1,431
Sale of investments	435,114	-
Fund expenses paid	(2,223)	(168)
Purchase of investments	<u>(3,206,345)</u>	<u>(725,127)</u>
Net operating cash flows	9 <u>(2,711,241)</u>	<u>(721,567)</u>
Cash flows from financing activities		
Contributions received from members	3,597,592	1,493,914
Withdrawals by members	(594,425)	(8,600)
Withdrawals - administration fees	<u>(31,071)</u>	<u>-</u>
Net financial cash flows	<u>2,972,096</u>	<u>1,485,314</u>
Net increase in cash and cash equivalents held	260,855	763,747
Cash and cash equivalents at the beginning of the year/period	763,747	-
Effect of exchange rate fluctuations on cash and cash equivalents	<u>(6)</u>	<u>-</u>
Cash and cash equivalents at the end of the year/period	<u>1,024,596</u>	<u>763,747</u>
Cash and cash equivalents comprise of:		
Cash at bank	1,025,229	763,747
Bank overdraft	<u>(633)</u>	<u>-</u>
Cash and cash equivalents at the end of the year/period	<u>1,024,596</u>	<u>763,747</u>

The accompanying notes form part of and should be read in conjunction with these financial statements.

SUPERLIFE BALANCED (AUSTRALIAN DOLLAR)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. General information

The SuperLife Balanced (Australian Dollar) (the "Fund") is a fund offered under a registered managed investment scheme called the SuperLife Invest (the "Scheme"). The Scheme was registered in New Zealand and established under the Financial Markets Conduct Act 2013 ("FMCA 2013") and is governed by the SuperLife Invest Master Trust deed dated 14 September 2016 and as further amended and restated on 15 July 2019 (the "Trust Deed"). The Fund was established on 28 November 2018 and commenced operations on 17 December 2018. The Fund is designed for investors that want a balanced investment option in Australian equities.

2. Reporting period

These financial statements are the year ended 31 March 2020. The comparative figures are for the period 28 November 2018 to 31 March 2019.

3. Basis of preparation

The financial statements of the Fund have been drawn up in accordance with the Trust Deed and comply with the requirements of the FMCA 2013, New Zealand Generally Accepted Accounting Practice as defined in the Financial Reporting Act 2013, New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") and International Financial Reporting Standards ("IFRS"). The accounting policies have been consistently applied throughout the reporting period.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss. All amounts are in Australian Dollars ("AUD").

4. Critical accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates that affect the reported amounts and the application of accounting policies. It also requires the Manager to exercise its judgement in the process of applying the accounting policies of the Fund.

Discussion of the critical accounting estimates and judgements used is included in note 7 on financial instruments at fair value through profit or loss.

5. Summary of significant accounting policies

(a) Financial instruments

Classification

The Fund classifies its financial assets based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets in accordance with *NZ IFRS 9 Financial Instruments*.

(i) Financial assets and financial liabilities at fair value through profit or loss

These include investments at fair value through profit and loss and derivative instruments. The Fund mainly evaluates the information about these financial assets on a fair value basis together with other related financial information to assess the assets' performance and to make decisions.

(ii) Financial assets at amortised cost

These include cash and cash equivalents and receivables.

(iii) Financial liabilities at amortised cost

These represent amounts recognised to be paid in the future for goods and services received. These include outstanding settlements and other accrued expenses.

Recognition, derecognition and measurement

Financial assets and financial liabilities are recognised on the date the Fund becomes a party to the contractual agreement (trade date).

Financial assets are derecognised when the right to receive cash flows from the financial assets has expired or the Fund has transferred substantially all of the risks and rewards of ownership. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expired.

Financial assets and financial liabilities held at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the Statement of Changes in Net Assets. Subsequent to initial recognition, these are measured at fair value. Gains or losses arising from changes in the fair value of the financial instruments at fair value through profit or loss are presented in the Statement of Changes in Net Assets within net changes in fair value of investments in the period in which they arise.

Financial assets at amortised cost are measured at amortised cost, using the effective interest method, less an allowance for impairment based on the expected credit losses (ECL).

Financial liabilities at amortised cost are measured at amortised cost using the effective interest method.

Fair value determination

The fair value of the managed investment trusts is determined by the realisable value of the investments as advised by the investment managers based on the underlying market value on the balance date.

SUPERLIFE BALANCED (AUSTRALIAN DOLLAR)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020****5. Summary of significant accounting policies (Continued)****(b) Cash and cash equivalents**

Cash and cash equivalents ("Cash") means cash at bank, demand deposits and other highly liquid investments in which the Fund may invest as part of its day-to-day cash management. Cash does not include accounts receivables or payables, or any borrowings subject to a term facility.

(c) Foreign currency translation

Foreign currency transactions are translated into the functional currency (AUD) using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses arising from translation are included in the Statement of Changes in Net Assets. Foreign exchange gains and losses relating to financial assets and financial liabilities carried at fair value through profit or loss are presented in the Statement of Changes in Net Assets within 'net changes in fair value of investments'.

(d) Distributions

Distribution income is recognised when the right to receive payment is established.

(e) Interest income

Interest income is recognised as the interest accrues using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

(f) Net assets available for benefits

The net assets available for benefits represent the Fund's present obligation to pay benefits to the members. This has been calculated as the difference between the carrying amounts of the assets and carrying amounts of the liabilities at the reporting date.

The Fund was unitised on 15 July 2019, refer to note 8.

The Fund issues units that are redeemable subject to the provisions of the governing documents of the Fund and are therefore classified as financial liabilities in accordance with NZ IAS 32 Financial Instruments: Presentation.

(g) Fees and expenses

The Fund incurs fees and expenses from a range of services received from various service providers, including reimbursable expenses allowed by the Trust Deed. Fees are accrued as services are rendered.

(h) Taxation

The Fund is a Portfolio Investment Entity ("PIE") under the New Zealand tax rules. Under the PIE regime, income is effectively taxed in the hands of the members and therefore the Fund does not have an income tax liability on its accounts.

The Fund attributes the taxable income to members in proportion to the units they hold. The income attributed to each member is taxed at the member's Prescribed Investor Rate ("PIR") which is capped at 28%. Any PIE tax payable/refundable is paid/received by the Fund to/from the taxation authorities on behalf of the members.

(i) Goods and services tax (GST)

The Fund is not registered for GST and consequently all components of the financial statements are stated inclusive of GST where appropriate.

(j) Securities lending

The Fund enters into securities lending transactions whereby it lends securities, recognised on the Statement of Net Assets, but retains either all or substantially all of the risks and rewards of the lent securities. As all or substantially all risks and rewards are retained, the lent securities are not derecognised.

(k) Changes in accounting policies and accounting standards adopted during the year

A number of new standards are effective from 1 April 2019, including NZ IFRS 16 but they do not have any material effect on the Fund's financial statements. The Fund consistently applied the accounting policies to all periods presented in these financial statements.

(l) Issued but not yet effective accounting standards

A number of accounting standards have been issued or revised that are not yet effective as at 31 March 2020, and were identified as not applicable to the Fund.

SUPERLIFE BALANCED (AUSTRALIAN DOLLAR)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

6. Risk

The Fund's investment activities expose it to a variety of financial risks: market risk (market price risk, currency risk and interest rate risk), credit risk, liquidity risk and securities lending risk.

6a Market risk

Market price risk is the risk of gains or losses from changes in the market price of underlying investments. Interest rate risk is the risk of gains or losses in interest income from changes in market interest rates.

Currency risk is the risk of gains or losses or changes in the AUD value due to changes in foreign exchange rates. The Fund's foreign currency exposure is not hedged.

An analysis of the financial risks arising from the Fund's investments is set out below:

Market price risk

Equity securities held are exposed to market price risk arising from uncertainties about future prices of underlying investments. Because the Fund invests in managed investment trusts the value of the Fund's investments will move up and down with the market.

A 10% annual increase/decrease in prices is considered to be a reasonably likely percentage change based on the performance of the underlying investments and represents the exposure to market price risk for the year ended 31 March 2020.

A 10% increase/decrease in prices would have increased/decreased net profit and members' interest as shown in the table below:

	31 March 2020	31 March 2019
	\$	\$
Impact of 10% change in market prices +/-	308,271	77,101

Currency risk

The Fund holds financial instruments in a currency other than the AUD. The majority of the Fund's financial assets are denominated in AUD. As a result the Fund is not subject to significant amounts of risk due to fluctuations in exchange rates. Hence currency risk is immaterial.

Interest rate risk

The Fund mainly invests in listed managed investment trusts and as at 31 March 2020 does not hold interest-bearing securities apart from cash and cash equivalents.

A 1% increase/decrease in interest rates, which is a reasonably likely change in interest rates, would have a total favourable/adverse impact on the value of the Fund's net assets available for benefits as follows:

	31 March 2020	31 March 2019
	\$	\$
Impact of 1% change in interest rates +/-	10,252	7,637

6b Credit risk

The Fund is exposed to the potential risk of financial loss resulting from the failure of counterparties to fully honour the terms of conditions of a contract with the Fund. Financial instruments that subject the Fund to credit risk consist primarily of cash and cash equivalents and receivables. The analysis below summarises the credit quality of the Fund's exposure rated externally by Standards & Poors.

	31 March 2020	31 March 2019
	\$	\$
AAA to AA-	-	151
A+ to A-	1,025,229	763,596

SUPERLIFE BALANCED (AUSTRALIAN DOLLAR)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

6. Risk (Continued)

6c Liquidity risk

In accordance with the Fund's policy, the Manager monitors the Fund's liquidity position on a daily basis. Liquidity management is designed to ensure that the Fund has the ability to generate sufficient cash in a timely manner to meet its financial commitments and normal levels of withdrawals. The Manager regularly monitors market volatility and withdrawal levels to establish the Fund's appropriate liquidity level. In the event of abnormal levels of withdrawals, timing of payments may depend on the ability of the Fund to realise its underlying investments on a timely basis.

The Fund continues to maintain appropriate levels of liquidity and meet its normal withdrawals obligations in the rapidly changing COVID-19 environment.

6d Securities lending risk

A number of possible risks arise from the Fund's securities lending program. These include, but are not limited to, the risk that a borrower of securities fails to deliver equivalent securities on termination of a loan and the risk that the lending contract will for whatever reason not be legally enforceable. In order to limit the Fund's exposure to risk that may arise from securities lending, there is a limitation on the value of securities that the Fund may lend at any point in time and a requirement that collateral be held by the custodian.

As at 31 March 2020, no securities of the Fund were on loan to any borrower.

7. Investments

Financial instruments measured at fair value are categorised across the following 3 levels based on the degree to which their fair value is observable.

Level 1 - Fair value measurements are derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - Fair value measurements are derived from inputs other than quoted prices included within Level 1 that are observable either directly or indirectly;

Level 3 - Fair value measurements are derived from valuation methods that include inputs that are not based on observable market data.

Fair value of the Fund's investments in listed managed investment trusts are based on their last traded price and are categorised as Level 1 within the hierarchy.

There were no transfers between levels during the year ended 31 March 2020 (31 March 2019: none).

The COVID-19 outbreak which was declared a global pandemic by the World Health Organisation in March 2020 caused widespread uncertainty across global economies and the market impact of this is reflected in the value of the investments disclosed in the financial statements as at 31 March 2020. Following the year ended 31 March 2020, the value of the investments have shown evidence of recovery.

There was no impact on the categorisation of investments held in accordance with the fair value hierarchy as at 31 March 2020 and this remains as disclosed above.

8. Units on issue

	31 March 2020	31 March 2019
	Units	Units
Opening balance	-	-
Units issued due to Fund's unitisation on 15 July 2019	2,799,709	-
Contributions from members	2,403,592	-
Withdrawals by members	(588,308)	-
Closing balance	<u>4,614,993</u>	<u>-</u>

9. Reconciliation of net profit/(loss) to net operating cash flows

	31 March 2020	31 March 2019
	\$	\$
Net (loss)/profit before membership activities	(401,980)	39,225
<i>Adjustments for:</i>		
Payments for the purchase of investments	(3,206,345)	(725,127)
Proceeds from sale of investments	435,114	-
Net changes in fair value of investments	459,521	(45,885)
Foreign exchange loss	14	-
Decrease/(increase) in receivables	352	(352)
Increase in payables	2,083	10,572
Net cash flows from operating activities	<u>(2,711,241)</u>	<u>(721,567)</u>

SUPERLIFE BALANCED (AUSTRALIAN DOLLAR)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020****10. Related party transactions**

The Manager is entitled to receive an administration fee of \$12 per annum for each member.

The total administration fee received by the Manager for the period ended 31 March 2020 amounted to \$31,071 (31 March 2019: \$3,169).

Fund expenses disclosed in the Statement of Changes in Net Assets represents regular fund charges which is a percentage per annum of the Fund's net asset value. This includes fees and costs charged by the supervisor, custodian, administrator, any fee due at the investment level, regulatory and compliance cost. Of the total fund expenses, the Manager receives any remaining amounts due after all fees and costs of the Fund are paid. In the event that fees and costs of the Fund exceeds the regular fund charges, this shortfall will be covered by the Manager.

The net management fees for the year ended 31 March 2020 amounted to \$8,552 (31 March 2019: \$795) with \$5,765 (31 March 2019: \$795) of outstanding management fees due to the Manager at the end of the period.

Other related party transactions

In March 2020, the Fund entered into securities lending agreements with various market participants and the Manager. The Fund will earn fifty percent of the total fee earned from the securities lending agreements and the remaining fifty percent will be income due to the Manager. There were no fees earned by the Fund or the Manager for the year ended 31 March 2020.

As at 31 March 2020, no securities of the Fund were on loan to any borrower.

11. Audit fees

	31 March 2020	31 March 2019
	\$	\$
Audit fees	3,342	5,518
Control assurance engagement	557	-
Investor registry compliance assurance	28	1,104
	<u><u>3,927</u></u>	<u><u>6,622</u></u>

12. Commitments and contingencies

There are no material liabilities, collateral or capital commitments as at 31 March 2020 (31 March 2019: nil).

13. Subsequent events

Effective 15 July 2020, the Fund changed its name to SuperLife Balanced (Australian Dollar) Fund (previously named SuperLife Balanced (Australian Dollar)).

There have been no material events after the reporting date that require adjustments to or disclosures in the financial statements.



Independent Auditor's Report

To the unitholders of SuperLife Balanced (Australian Dollar)

Report on the audit of the financial statements

Opinion

In our opinion, the accompanying financial statements of SuperLife Balanced (Australian Dollar) (the 'fund') on pages 2 to 9:

- i. present fairly in all material respects the fund's financial position as at 31 March 2020 and its financial performance and cash flows for the year ended on that date; and
- ii. comply with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

We have audited the accompanying financial statements which comprise:

- the statement of net assets as at 31 March 2020;
- the statements of changes in net assets and cash flows for the year then ended; and
- notes, including a summary of significant accounting policies and other explanatory information.



Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the fund in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our responsibilities under ISAs (NZ) are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

Our firm has also provided statutory audit services to Smartshares Limited (the "Manager") and provided controls assurance and registry assurance to the Fund. The provision of these other services has not impaired our independence as auditor of the Fund. Subject to certain restrictions, partners and employees of our firm may also deal with the funds on normal terms within the ordinary course of trading activities of the business of the fund. These matters have not impaired our independence as auditor of the funds. The firm has no other relationship with, or interest in, the fund.



Materiality

The scope of our audit was influenced by our application of materiality. Materiality helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole. The materiality for the financial statements as a whole was set with a reference to a benchmark of the fund's total assets. We chose the benchmark because, in our view, this is a key measure of the fund's performance.



Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements in the current period. We summarise below those matters and our key audit procedures to address those matters in order that the unitholder as a body may better understand the process by which we arrived at our audit opinion. Our procedures were undertaken in the context of and solely for the purpose of our statutory audit opinion on the financial statements as a whole and we do not express discrete opinions on separate elements of the financial statements.

COVID 19

The Covid-19 pandemic has created additional risks, particularly with the valuation of investments, liquidity and going concern. Some investments may have become more difficult to value, as they either experience significant events, or become less liquid and actively traded. Additional disclosures may be required to ensure there is adequate disclosure of changes to fair value levels for securities, liquidity risks, market risks and subsequent events where there are material withdrawals, other material impacts on liquidity and changes to the value of the Funds. While the key audit matter “Valuation and existence of investments”, detailed below, the underlying audit risk has increased which impacted the extent and nature of audit evidence that we had to gather.

The key audit matter

How the matter was addressed in our audit

Valuation and existence of carrying amount of investments

Refer to Note 7 of the fund’s financial statements. The fund’s portfolio of investments makes up majority of total assets. We do not consider these investments to be at high risk of significant misstatement, or be subject to a significant level of judgement. However, due to their materiality in the context of the financial statements as a whole, they are considered to be the area which had the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.

Our audit procedures included:

- documenting and understanding the processes in place to record investment transactions and to value the portfolio. This included evaluating the control environment in place at the administration manager by obtaining and reading a report issued by an independent auditor on the design and operation of those controls and where necessary performed additional testing of these controls to 31 March.
- agreeing the exit price of the investments to independent third party sources.
- agreeing investment holdings to confirmations received from the administration manager;

We did not identify any material differences in relation to the carrying amount of investments.



Other information

The Manager, on behalf of the fund, are responsible for the other information included in the entity’s Annual Report. Other information includes the details and changes to the fund and other information. Our opinion on the financial statements does not cover any other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Use of this independent auditor's report

This independent auditor's report is made solely to the unitholder as a body. Our audit work has been undertaken so that we might state to the unitholder those matters we are required to state to them in the independent auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the unitholder as a body for our audit work, this independent auditor's report, or any of the opinions we have formed.



Responsibilities of the Manager for the financial statements

The Manager, on behalf of the fund, are responsible for:

- the preparation and fair presentation of the financial statements in accordance with generally accepted accounting practice in New Zealand (being New Zealand Equivalents to International Financial Reporting Standards) and International Financial Reporting Standards;
- implementing necessary internal control to enable the preparation of a set of financial statements that is fairly presented and free from material misstatement, whether due to fraud or error; and
- assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations, or have no realistic alternative but to do so.



Auditor's responsibilities for the audit of the financial statements

Our objective is:

- to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and
- to issue an independent auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs NZ will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of these financial statements is located at the External Reporting Board (XRB) website at:

<http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-2/>

This description forms part of our independent auditor's report.

The engagement partner on the audit resulting in this independent auditor's report is Graeme Edwards.

For and on behalf of



Certificate Of Completion

Envelope Id: 01A09C67106B4236A835A4C28CD7793D	Status: Completed
Subject: Please DocuSign: SuperLife - Financial Statements and Directors' Representation Letter	
Source Envelope:	
Document Pages: 178	Signatures: 20
Certificate Pages: 5	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Enabled	Tim Bennett
Time Zone: (UTC+12:00) Auckland, Wellington	NZX Limited
	Level 1, 11 Cable Street
	Wellington, Wellington Central 6011
	tw.bennett@nzx.com
	IP Address: 103.103.41.59

Record Tracking

Status: Original	Holder: Tim Bennett	Location: DocuSign
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Signer Events

Guy Elliffe
 [REDACTED]
 Director
 Security Level: Email, Account Authentication (None)

Signature

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 Signed: September 29, 2020 | 10:15

Electronic Record and Signature Disclosure:
 Accepted: September 28, 2020 | 20:18
 ID: c9766d6b-ea38-4dd9-9244-c047ad72cbff

Mark Peterson
 [REDACTED]
 CEO - NZX
 Security Level: Email, Account Authentication (None)

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Sent: September 28, 2020 | 16:29
 Viewed: September 29, 2020 | 09:30
 Signed: September 29, 2020 | 09:31

Electronic Record and Signature Disclosure:
 Accepted: September 29, 2020 | 09:30
 ID: 404da70f-fb9d-417d-a0f0-d615b3b3a124

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	September 28, 2020 16:29
Certified Delivered	Security Checked	September 29, 2020 09:30
Signing Complete	Security Checked	September 29, 2020 10:15
Completed	Security Checked	September 29, 2020 10:15

Payment Events	Status	Timestamps
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Electronic Record and Signature Disclosure



SUPERLIFE INVEST FUNDS

PART 6

SUPERLIFE (ACTIVE US AND AUSTRALIAN EQUITIES)

**FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020**

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SUPERLIFE (ACTIVE US AND AUSTRALIAN EQUITIES)

Manager	Smartshares Limited
Registered Office	Level 1 NZX Centre 11 Cable Street, Wellington 6140 New Zealand
Licensed Supervisor	Public Trust
Administrator	BNP Paribas Fund Services Australasia Pty Limited, New Zealand branch
Custodian	BNP Paribas Fund Services Australasia Pty Limited, New Zealand branch
Auditor	KPMG

SUPERLIFE (ACTIVE US AND AUSTRALIAN EQUITIES)**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2020**

	Note	Period ended 31 March 2020 \$'000
Income		
Distributions		38
Interest income		3
Net changes in fair value of investments		(1,400)
Other foreign exchange loss		(12)
Other income		<u>34</u>
Net income		<u>(1,337)</u>
Expenses		
Fund expenses		<u>(10)</u>
Total expenses		<u>(10)</u>
Net profit/(loss)		(1,347)
Other comprehensive income		<u>-</u>
Total comprehensive income		<u><u>(1,347)</u></u>

The accompanying notes form part of and should be read in conjunction with these financial statements.

SUPERLIFE (ACTIVE US AND AUSTRALIAN EQUITIES)
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
FOR THE PERIOD ENDED 31 MARCH 2020

	Period ended 31 March 2020 \$'000
Opening value	-
Total comprehensive income	(1,347)
Subscriptions	<u>8,241</u>
	8,241
Closing value	<u>6,894</u>

The accompanying notes form part of and should be read in conjunction with these financial statements.

SUPERLIFE (ACTIVE US AND AUSTRALIAN EQUITIES)**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020**

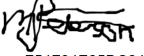
	Note	31 March 2020 \$'000
Assets		
Other receivables		26
Investments at fair value through profit or loss	7	<u>6,877</u>
Total assets		6,903
Liabilities		
Bank overdraft		(8)
Fund expenses payable		<u>(1)</u>
Total liabilities		(9)
Net assets of your Fund		<u>6,894</u>

For and on behalf of the Manager, Smartshares Limited, which authorised the issue of the financial statements on 28 September 2020.

DocuSigned by:

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Director

DocuSigned by:

 F54F84E25DC247C.....

Director

The accompanying notes form part of and should be read in conjunction with these financial statements.

SUPERLIFE (ACTIVE US AND AUSTRALIAN EQUITIES)**STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2020**

	Period ended 31 March 2020 \$'000
Cash flows from operating activities	
Distributions received	38
Interest income received	3
Sale of investments	158
Other income received	8
Fund expenses paid	(9)
Purchase of investments	<u>(8,447)</u>
Net operating cash flows	9 <u><u>(8,249)</u></u>
Cash flows from financing activities	
Subscriptions received from unitholders	<u>8,241</u>
Net financial cash flows	<u><u>8,241</u></u>
Net decrease in cash and cash equivalents held	(8)
Cash and cash equivalents at the beginning of the period	<u>-</u>
Cash and cash equivalents at the end of the period	<u><u>(8)</u></u>
Cash and cash equivalents comprise of:	
Cash at bank	-
Bank overdraft	<u>(8)</u>
Cash and cash equivalents at the end of the period	<u><u>(8)</u></u>

The accompanying notes form part of and should be read in conjunction with these financial statements.

SUPERLIFE (ACTIVE US AND AUSTRALIAN EQUITIES)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2020

1. General information

The SuperLife (Active US and Australian Equities) (the "Fund") is a fund offered under a registered managed investment scheme called the 'SuperLife Invest' (the "Scheme"). The Scheme was registered in New Zealand and established under the Financial Markets Conduct Act 2013 ("FMCA 2013") and is governed by the SuperLife Invest Master Trust deed dated 14 September 2016 and as further amended and restated on 15 July 2019 (the "Trust Deed"). The Fund was established and commenced operations on 24 May 2019. The Fund is designed for investors that want an actively managed investment in US and Australian equities.

2. Reporting period

These are the Fund's first set of financial statements and are for the period 24 May 2019 to 31 March 2020.

3. Basis of preparation

The financial statements of the Funds have been drawn up in accordance with the Trust Deed and comply with the requirements of the FMCA 2013, New Zealand Generally Accepted Accounting Practice as defined in the Financial Reporting Act 2013, New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") and International Financial Reporting Standards ("IFRS"). The accounting policies have been consistently applied throughout the reporting period.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss. All amounts are in United States Dollars (USD), rounded to the nearest thousand. Where specific amounts are referred to in the note wording, the amounts are rounded to the nearest dollar. The USD is also the functional currency of the Fund.

4. Critical accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates that affect the reported amounts and the application of accounting policies. It also requires the Manager to exercise its judgement in the process of applying the accounting policies of the Funds.

Discussion of the critical accounting estimates and judgements used is included in note 7 on financial instruments at fair value through profit or loss.

5. Summary of significant accounting policies

(a) Financial instruments

Classification

The Fund classifies its financial assets based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets in accordance with *NZ IFRS 9 Financial Instruments*.

(i) Financial assets and financial liabilities at fair value through profit or loss

These include investments at fair value through profit and loss and derivative instruments. The Fund mainly evaluates the information about these financial assets on a fair value basis together with other related financial information to assess the assets' performance and to make decisions.

(ii) Financial assets at amortised cost

These include cash and cash equivalents and receivables.

(iii) Financial liabilities at amortised cost

These represent amounts recognised to be paid in the future for goods and services received. These include outstanding settlements and other accrued expenses.

Recognition, derecognition and measurement

Financial assets and financial liabilities are recognised on the date the Fund becomes a party to the contractual agreement (trade date).

Financial assets are derecognised when the right to receive cash flows from the financial assets has expired or the Fund has transferred substantially all of the risks and rewards of ownership. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expired.

Financial assets and financial liabilities held at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the Statement of Comprehensive Income. Subsequent to initial recognition, these are measured at fair value. Gains or losses arising from changes in the fair value of the financial instruments designated at fair value through profit or loss are presented in the Statement of Comprehensive Income within net changes in fair value of investments in the period in which they arise.

Financial assets at amortised cost are measured at amortised cost, using the effective interest method, less an allowance for impairment based on the expected credit losses (ECL).

Financial liabilities at amortised cost are measured at amortised cost using the effective interest method.

Fair value determination

The fair value of the managed investment trusts is determined by the realisable value of the investments as advised by the investment managers based on the underlying market value on the balance date.

SUPERLIFE (ACTIVE US AND AUSTRALIAN EQUITIES)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2020

5. Summary of significant accounting policies (Continued)

(b) Cash and cash equivalents

Cash and cash equivalents ("Cash") means cash at bank, demand deposits and other highly liquid investments in which the Fund may invest as part of its day-to-day cash management. Cash does not include accounts receivables or payables, or any borrowings subject to a term facility.

(c) Foreign currency translation

Foreign currency transactions are translated into the functional currency (USD) using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses arising from translation are included in the Statement of Comprehensive Income. Foreign exchange gains and losses relating to financial assets and financial liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within 'net changes in fair value of investments'.

(d) Distribution income

Distribution income is recognised when the right to receive payment is established.

(e) Interest income

Interest income is recognised as the interest accrues using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

(f) Units

The Fund was unitised on 15 July 2019, refer to note 8.

The Fund issues units, which provide the holder with a beneficial interest in the Fund. The units are issued and redeemed based on the Fund's net asset value per unit at the time of issue or redemption, which is calculated by dividing the net assets attributable to the unitholders by the total number of outstanding units.

The units meet the definition of puttable instruments and are classified as equity instruments under *NZ IAS 32 Financial Instruments: Presentation*.

(g) Fees and expenses

The Fund incurs fees and expenses from a range of services it receives from various service providers, including reimbursable expenses allowed by the Trust Deed. Fees are accrued as services are rendered.

(h) Taxation

The Fund is a Portfolio Investment Entity ("PIE") under the NZ tax rules. Under the PIE regime, income is effectively taxed in the hands of the unitholders and therefore the Fund does not have an income tax liability on its accounts.

The Fund attributes the taxable income to unitholders in proportion to the units they hold. The income attributed to each unitholder is taxed at the unitholder's Prescribed Investor Rate ("PIR") which is capped at 28%. Any PIE tax payable/refundable is paid/received by the Fund to/from the taxation authorities on behalf of the unitholders.

(i) Goods and services tax (GST)

The Fund is not registered for GST and consequently all components of the financial statements are stated inclusive of GST where appropriate.

(j) Securities lending

The Fund enters into securities lending transactions whereby it lends securities, recognised on the Statement of Financial Position, but retains either all or substantially all of the risks and rewards of the lent securities. As all or substantially all risks and rewards are retained, the lent securities are not derecognised.

(k) Changes in accounting policies and accounting standards adopted during the year

A number of new standards are effective from 1 April 2019, including NZ IFRS 16 but they do not have any material effect on the Fund's financial statements.

(l) Issued but not yet effective accounting standards

A number of accounting standards have been issued or revised that are not yet effective as at 31 March 2020, and were identified as not applicable to the Fund.

SUPERLIFE (ACTIVE US AND AUSTRALIAN EQUITIES)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020****6. Risk**

The Fund's investment activities expose it to a variety of financial risks: market risk (market price risk and interest rate risk), credit risk, liquidity risk and securities lending risk.

6a Market risk

Market price risk is the risk of gains or losses from changes in the market price of underlying investments. Interest rate risk is the risk of gains or losses in interest income from changes in market interest rates.

Currency risk is the risk of gains or losses or changes in the USD value due to changes in foreign exchange rate. The Fund's foreign currency exposure is not hedged.

An analysis of the financial risks arising from the Fund's investments is set out below:

Market price risk

Equity securities held are exposed to market price risk arising from uncertainties about future prices of underlying investments. Because the Fund invests in managed investment trusts the value of the Fund's investments will move up and down with the market.

A 10% annual increase/decrease in prices is considered to be a reasonably likely percentage change based on the performance of the underlying investments and represents the exposure to market price risk for the period ended 31 March 2020.

A 10% increase/decrease in equity prices would have increased/decreased net profit and unitholders funds as shown in the table below:

	31 March 2020
	\$'000
Impact of 10% change in market prices +/-	688

Currency risk

The Fund holds financial instruments in a currency other than USD. The majority of the Fund's financial assets are denominated in USD. As a result the Fund is not subject to significant amounts of risk due to fluctuations in exchange rates. Hence currency risk is immaterial.

Interest rate risk

The Fund mainly invests in managed investment trusts and as at 31 March 2020 does not hold interest-bearing securities apart from an insignificant amount of cash and cash equivalents. Therefore, interest rate risk is not significant to the Fund.

6b Credit risk

The Fund is exposed to the potential risk of financial loss resulting from the failure of counterparties to fully honour the terms of conditions of a contract with the Fund. Financial instruments that subject the Fund to credit risk consist primarily of cash and receivables, the carrying value of cash was nil as at 31 March 2020. The maximum exposure to credit risk of the Fund's financial assets as at 31 March 2020 is equal to their respective carrying value.

6c Liquidity risk

In accordance with the Fund's policy, the Manager monitors the Fund's liquidity position on a daily basis. Liquidity management is designed to ensure that the Fund has the ability to generate sufficient cash in a timely manner to meet its financial commitments and normal levels of redemptions. The Manager regularly monitors market volatility and redemption levels to establish the Fund's appropriate liquidity level. In the event of abnormal levels of redemptions, timing of payments may depend on the ability of the Fund to realise its underlying investments on a timely basis.

The Fund continues to maintain appropriate levels of liquidity and meet its normal redemption obligations in the rapidly changing COVID-19 environment.

6d Securities lending risk

A number of possible risks arise from the Fund's securities lending program. These include, but are not limited to, the risk that a borrower of securities fails to deliver equivalent securities on termination of a loan and the risk that the lending contract will for whatever reason not be legally enforceable. In order to limit the Fund's exposure to risk that may arise from securities lending, there is a limitation on the value of securities that the Fund may lend at any point in time and a requirement that collateral be held by the custodian.

As at 31 March 2020, no securities of the Fund were on loan to any borrower.

SUPERLIFE (ACTIVE US AND AUSTRALIAN EQUITIES)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020****7. Investments**

Financial instruments measured at fair value are categorised across the following 3 levels based on the degree to which their fair value is observable.

Level 1 - Fair value measurements are derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - Fair value measurements are derived from inputs other than quoted prices included within Level 1 that are observable either directly or indirectly;

Level 3 - Fair value measurements are derived from valuation methods that include inputs that are not based on observable market data.

The Fund's investments in unlisted managed investment trusts are categorised within Level 2. These investments are not traded in active markets, their fair values are determined as the realisable values of the investments as advised by the investment manager based on the underlying market values on the reporting date.

There were no transfers between levels during the period ended 31 March 2020.

The COVID-19 outbreak which was declared a global pandemic by the World Health Organisation in March 2020 caused widespread uncertainty across global economies and the market impact of this is reflected in the value of the investments disclosed in the financial statements as at 31 March 2020. Following the period ended 31 March 2020, the value of the investments have shown evidence of recovery.

There was no impact on the categorisation of investments held in accordance with the fair value hierarchy as at 31 March 2020 and this remains as disclosed above.

8. Units on issue

	31 March 2020
	Units
	'000
Opening balance	-
Subscriptions from unitholders	8,308
Closing balance	<u>8,308</u>

9. Reconciliation of net profit/(loss) to net operating cash flows

	31 March 2020
	\$'000
Net profit/(loss)	(1,347)
<i>Adjustments for:</i>	
Payments for the purchase of investments	(8,447)
Proceeds from sale of investments	158
Net changes in fair value of investments	1,400
Foreign exchange loss	12
Increase in receivables	(26)
Increase in payables	1
Net cash flows from operating activities	<u>(8,249)</u>

SUPERLIFE (ACTIVE US AND AUSTRALIAN EQUITIES)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020****10. Related party transactions**

Fund expenses disclosed in the Statement of Comprehensive Income represents regular fund charges which is a percentage per annum of the Fund's net asset value. This includes fees and costs charged by the Supervisor, custodian, administrator, regulatory and compliance cost. Of the total fund expenses, the Manager receives any remaining amounts due after all fees and costs of the fund are paid. In the event that fees and costs of the fund exceeds the regular Fund charges, this shortfall will be covered by the Manager.

The net management fees for the period ended 31 March 2020 amounted to \$7,000 with \$nil outstanding management fees due to the Manager at the end of the period.

Other related party transactions

In March 2020, the Fund entered into securities lending agreements with various market participants and the Manager. The Fund will earn fifty percent of the total fee earned from the securities lending agreements and the remaining fifty percent will be income due to the Manager. There were no fees earned by the Fund or the Manager for the period ended 31 March 2020.

As at 31 March 2020, no securities of the Fund were on loan to any borrower.

11. Audit fees

	31 March 2020
	\$'000
Financial statements audit	2
Control assurance engagement and investor registry compliance	1
	<u>3</u>
	<u><u>3</u></u>

12. Commitments and contingencies

There are no material liabilities, collateral or capital commitments as at 31 March 2020.

13. Subsequent events

Effective 15 July 2020, the Fund changed its name to SuperLife Active Global Equities (US Dollar) Fund (previously named SuperLife (Active US and Australian Equities)).

There have been no material events after the reporting date that require adjustments to or disclosures in the financial statements.



Independent Auditor's Report

To the unitholders of SuperLife (Active US and Australian Equities)

Report on the audit of the financial statements

Opinion

In our opinion, the accompanying financial statements of SuperLife US (Active US and Australian Entities) (the 'fund') on pages 2 to 10:

- i. present fairly in all material respects the fund's financial position as at 31 March 2020 and its financial performance and cash flows for the year ended on that date; and
- ii. comply with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

We have audited the accompanying financial statements which comprise:

- the statement of Financial Position as at 31 March 2020;
- the statements of comprehensive income, changes in net assets attributable to unitholders and cash flows for the year then ended; and
- notes, including a summary of significant accounting policies and other explanatory information.



Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the fund in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our responsibilities under ISAs (NZ) are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

Our firm has also provided statutory audit services to Smartshares Limited (the "Manager") and provided controls assurance and registry assurance to the Fund. Subject to certain restrictions, partners and employees of our firm may also deal with the funds on normal terms within the ordinary course of trading activities of the business of the fund. These matters have not impaired our independence as auditor of the funds. The firm has no other relationship with, or interest in, the fund.



Materiality

The scope of our audit was influenced by our application of materiality. Materiality helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole. The materiality for the financial statements as a whole was set with reference to a benchmark of the fund's total assets. We chose the benchmark because, in our view, this is a key measure of the fund's performance.

 **Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements in the current period. We summarise below those matters and our key audit procedures to address those matters in order that the unitholder as a body may better understand the process by which we arrived at our audit opinion. Our procedures were undertaken in the context of and solely for the purpose of our statutory audit opinion on the financial statements as a whole and we do not express discrete opinions on separate elements of the financial statements.

COVID 19

The Covid-19 pandemic has created additional risks, particularly with the valuation of investments, liquidity and going concern. Some investments may have become more difficult to value, as they either experience significant events, or become less liquid and actively traded. Additional disclosures may be required to ensure there is adequate disclosure of changes to fair value levels for securities, liquidity risks, market risks and subsequent events where there are material withdrawals, other material impacts on liquidity and changes to the value of the Funds. While the key audit matter “Valuation and existence of investments”, detailed below, the underlying audit risk has increased which impacted the extent and nature of audit evidence that we had to gather.

The key audit matter

How the matter was addressed in our audit

Valuation and existence of carrying amount of investments

Refer to Note 7 of the fund’s financial statements. The fund’s portfolio of investments makes up majority of total assets. We do not consider these investments to be at high risk of significant misstatement, or be subject to a significant level of judgement. However, due to their materiality in the context of the financial statements as a whole, they are considered to be the area which had the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.

Our audit procedures included:

- documenting and understanding the processes in place to record investment transactions and to value the portfolio. This included evaluating the control environment in place at the administration manager by obtaining and reading a report issued by an independent auditor on the design and operation of those controls and where necessary performed additional testing of these controls to 31 March.
- agreeing the exit price of the investments to independent third party sources.
- agreeing investment holdings to confirmations received from the administration manager;

We did not identify any material differences in relation to the carrying amount of investments.

Other information

The Manager, on behalf of the fund, is responsible for the other information included in the entity’s Annual Report. Other information includes the details and changes to the fund and other information. Our opinion on the financial statements does not cover any other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Use of this independent auditor's report

This independent auditor's report is made solely to the unitholder as a body. Our audit work has been undertaken so that we might state to the unitholder those matters we are required to state to them in the independent auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the unitholder as a body for our audit work, this independent auditor's report, or any of the opinions we have formed.



Responsibilities of the Management for the financial statements

The Management, on behalf of the fund, are responsible for:

- the preparation and fair presentation of the financial statements in accordance with generally accepted accounting practice in New Zealand (being New Zealand Equivalents to International Financial Reporting Standards) and International Financial Reporting Standards;
- implementing necessary internal control to enable the preparation of a set of financial statements that is fairly presented and free from material misstatement, whether due to fraud or error; and
- assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations, or have no realistic alternative but to do so.



Auditor's responsibilities for the audit of the financial statements

Our objective is:

- to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and
- to issue an independent auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs NZ will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of these financial statements is located at the External Reporting Board (XRB) website at:

<http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-2/>

This description forms part of our independent auditor's report.

The engagement partner on the audit resulting in this independent auditor's report is Graeme Edwards.

For and on behalf of



KPMG
Wellington

28 September 2020


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	Level 1, 11 Cable Street
	Wellington, Wellington Central 6011
	tw.bennett@nzx.com
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 Director
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Mark Peterson

 CEO - NZX
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In Person Signer Events	Signature	Timestamp
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Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	September 28, 2020 16:29
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Signing Complete	Security Checked	September 29, 2020 10:15
Completed	Security Checked	September 29, 2020 10:15

Payment Events	Status	Timestamps
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