

Investment Update

SuperLife Invest

SuperLife^{Age Steps} - Age 70

For the quarter ended 31 December 2016

This investment update was first made publicly available on 13 February 2017.

What is the purpose of this update?

This document tells you how SuperLife^{Age Steps} - Age 70 has performed and what fees were charged. The document will help you to compare the stage with other funds. Smartshares Limited prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

Description of this stage

SuperLife^{Age Steps} automatically adjusts the proportion of your investment in income and growth assets depending on your age. As you get older, the proportion of your investment in higher risk growth assets will be reduced, lowering the expected size of the ups and downs in the value of your investment. This option may be suitable if you are saving for retirement (assumed to be age 65), and assumes you will continue to invest your savings and spend them over your retirement period.

Your SuperLife^{Age Steps} - Age 70 investment will be allocated 60% to SuperLife^{Income} and 40% to SuperLife¹⁰⁰ (which are managed funds this stage invests in).

Total value of the stage:	-
Number of investors in the stage:	-
The date the stage started:	28 October 2016

What are the risks of investing?

Risk indicator for SuperLife^{Age Steps} - Age 70 ¹

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

The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the stage's assets goes up and down. A higher risk generally means higher potential returns over time, but more ups and downs along the way.

To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at <https://www.sorted.org.nz/tools/investor-kickstarter>

Note that even the lowest category does not mean a risk-free investment, and there are other risks that are not captured by this rating.

This risk indicator is not a guarantee of a stage's future performance. The risk indicator is based on the returns data for 5 years to 31 December 2016. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future stage updates.

See the Product Disclosure Statement for the SuperLife Invest (**PDS**) for more information about the risks associated with investing in this stage.

How has the stage performed?

	Past year
Annual return (after deductions for charges and tax)	Not applicable
Annual return (after deductions for charges but before tax)	Not applicable
Market index annual return (reflects no deduction for charges and tax)	6.03%

The market index annual return is based on the annual return for the composite index of the underlying funds. It is made up of the indices used to measure the performance of the assets that the life cycle stage invests in. Additional information about the market index is available on the offer register at www.business.govt.nz/disclose

What fees are investors charged?

Investors in SuperLife^{Age Steps} - Age 70 are charged fund charges. These are as follows:

	% per annum of stage's net asset value
Total fund charges (estimate)	0.50%
Which are made up of:	
Total management and administration charges (estimate)	0.50%
Including:	
Manager's basic fee	0.25%
Other management and administration charges (estimate)	0.25%
Total performance-based fees	0.00%
Other charges	Dollar amount per investor
Administration fee	\$12 per annum
Paper statements fee	\$18 per annum

See the “Other Information – Fees” document on the offer register at www.business.govt.nz/disclose for further information about the fees you will be charged for investing in the SuperLife Invest.

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

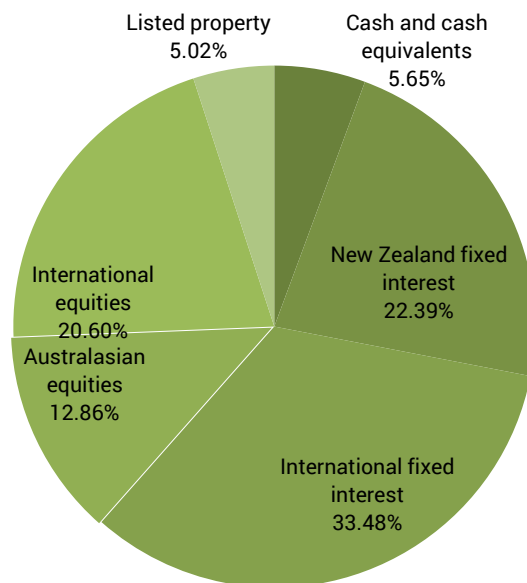
Example of how this applies to an investor

Jess had \$10,000 in the stage on 28 October 2016 and did not make any further contributions. On 31 December 2016, Jess received a return after fund charges were deducted of \$75 (that is 0.75% of her initial \$10,000). Jess paid other charges of \$2 (Jess received statements and other SuperLife communications electronically and was not charged the paper statements fee). This gives Jess a total return after tax of \$73 for the 2 months and 4 days.

What does the stage invest in?

Actual investment mix

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



Target investment mix

This shows the mix of assets that the stage generally intends to invest in.

Asset Category	Target asset mix
Cash and cash equivalents	-
New Zealand fixed interest	30.00%
International fixed interest	30.00%
Australasian equities	13.60%
International equities	21.60%
Listed property	4.80%
Unlisted property	-
Commodities	-
Other	-

Top ten investments

Vanguard International Credit Securities Index Fund (Hedged)	14.96%	International fixed interest	Australia	
Vanguard FTSE Europe ETF	5.26%	International equities	United States	
Vanguard S&P 500 ETF	3.53%	International equities	United States	
Vanguard FTSE Emerging Markets ETF	2.62%	International equities	United States	
ASB NZD Current Account	2.31%	Cash and cash equivalents	New Zealand	AA-
Nikko AM Wholesale NZ Bond Fund	2.31%	New Zealand fixed interest	New Zealand	
Vanguard FTSE Pacific ETF	1.89%	International equities	United States	
Federal National Mortgage Association 150244 0.00 TBA	1.47%	International fixed interest	United States	AA+
Federal National Mortgage Association 150244 0.00 TBA	1.44%	International fixed interest	United States	AA+
Vanguard Value ETF	1.36%	International equities	United States	

The top 10 investments make up 37.14% of the stage.

Currency hedging

SuperLife^{Income} and SuperLife¹⁰⁰ (which are managed funds this age step invests in) do not hedge their foreign currency exposure, but may invest in funds which do.

Key personnel

This shows the directors and employees who have the most influence on the investment decisions of the stage:

Name	Current position	Time in current position	Previous or other positions	Time in previous / other position
Timothy Oliver Bennett	Director	3 years and 4 months	Chief Executive Officer - NZX	4 years and 7 months
Michael John Chamberlain	Head of SuperLife Funds Management	1 year and 11 months	Director - SuperLife Limited	18 years and 6 months
Guy Roulston Elliffe	Director	1 year and 1 month	Corporate Governance Manager - ACC	1 year and 8 months
Bevan Keith Miller	Director	3 years and 4 months	Chief Financial Officer - NZX	4 years
Alister John Williams	Director	1 year and 1 month	Investment Manager - Trust Management	1 year and 11 months

Further information

You can also obtain this information, the PDS, and some additional information, from the offer register at www.business.govt.nz/disclose

Notes

- 1 Market index returns (as well as actual returns) have been used to complete the risk indicator, as the fund has not been in existence for 5 years. As a result, the risk indicator may provide a less reliable indicator of the potential future volatility of the fund. The risk indicator for the fund uses 4 years and 9 months of market index returns.
- 2 You will only be charged this fee if you choose to receive statements and other SuperLife communications in paper form.