

Fund Update

SuperLife UK pension transfer scheme

NZ Cash Fund

For the quarter ended 30 June 2017.

This fund update was first made publicly available on 25 July 2017.

What is the purpose of this update?

This document tells you how the NZ Cash Fund has performed and what fees were charged. The document will help you to compare the fund 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 fund

The NZ Cash Fund is designed to provide a return (after tax, fees and other expenses) that reflects the after-tax return on the New Zealand cash market.

Total value of the fund:	\$2,656,008
Number of investors in the fund:	53
The date the fund started:	24 July 2012

What are the risks of investing?

Risk indicator for the NZ Cash Fund 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 fund's assets goes up and down. A higher risk generally means higher potential returns over time, but more ups and downs along the way.

To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at 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 fund's future performance. The risk indicator is based on the returns data for 5 years to 30 June 2017. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates.

Other specific risks

There are other risks that may increase the risk to returns for investors, which are not reflected in the risk indicator. These risks include investment management risk. In particular, while the SuperLife UK pension transfer scheme's philosophy is that a passive approach to investing will deliver better long-term results, we make some active management decisions. There is a risk that this may result in the fund achieving a return that is lower than its investment objective.

There is also a risk that UK tax law changes and as a result the SuperLife UK pension transfer scheme loses its recognised overseas pension scheme (ROPS) status. There is also a risk that the UK's rules for ROPS change. We will not be liable for any loss you may suffer if this happens.

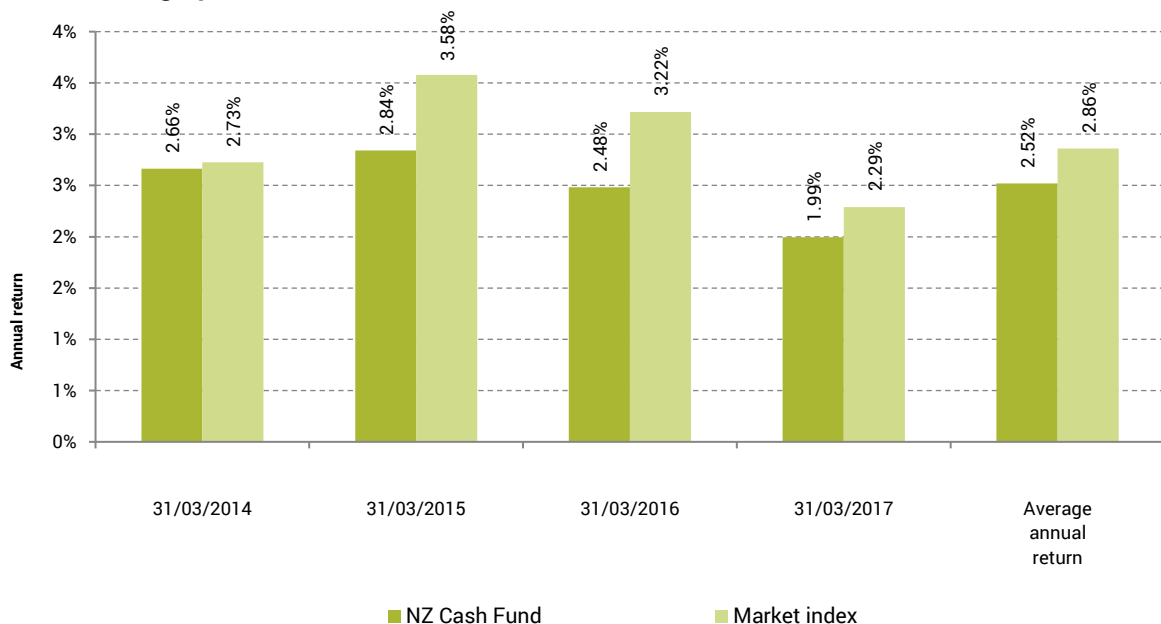
See the "Other Information – Risks" document on the offer register at www.business.govt.nz/disclose for further information about the risks of investing in the SuperLife UK pension transfer scheme.

How has the fund performed?

	Past year
Annual return (after deductions for charges and tax)	2%
Annual return (after deductions for charges but before tax)	2.72%
Market index annual return (reflects no deduction for charges and tax)	2.21%

The market index annual return is based on the annual return of the S&P/NZX Bank Bills 90-Day Index. Additional information about the market index is available on the offer register at www.business.govt.nz/disclose.

Annual return graph



This shows the return after fund charges and tax for each year ending 31 March since the fund started. The last bar shows the average annual return since the fund started, up to 30 June 2017.

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

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

What fees are investors charged?

Investors in the NZ Cash Fund are charged fund charges. In the year to 31 March 2017 these were:

	% per annum of fund's net asset value
Total fund charges	0.41% ²
Which are made up of:	
Total management and administration charges	0.41% ²
Including:	
Manager's basic fee	0.27%
Other management and administration charges	0.14%
Total performance-based fees	0.00%
Other charges	Dollar amount per investor
Administration fee	\$60 per annum

Investors may also be charged individual action fees for specific actions or decisions (for example, for transferring money into the scheme from a UK pension scheme). See the "Other Information – Fees" document on the offer register at www.business.govt.nz/disclose for more information about those fees.

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

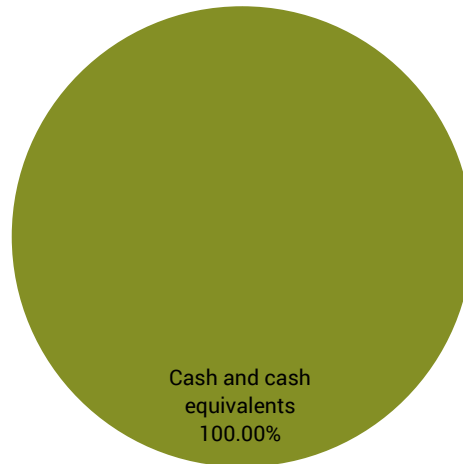
Example of how this applies to an investor

Jess had \$10,000 in the fund and did not make any further contributions. At the end of the year, Jess received a return after fund charges were deducted of \$200 (that is 2% of her initial \$10,000). Jess paid other charges of \$60. This gives Jess a total return after tax of \$140 for the year.

What does the fund invest in?

Actual investment mix

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



Target investment mix

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

Asset Category	Target asset mix
Cash and cash equivalents	100.00%
New Zealand fixed interest	-
International fixed interest	-
Australasian equities	-
International equities	-
Listed property	-
Unlisted property	-
Commodities	-
Other	-

Top 10 investments

Name	% of fund's net asset value	Type	Country	Credit rating (if applicable)
Nikko AM Wholesale NZ Cash Fund	30.15%	Cash and cash equivalents	New Zealand	
SBS 02/08/17 3.71% TD	5.27%	Cash and cash equivalents	New Zealand	BBB
ASB Bank Ltd 08/03/19 FRN	5.01%	Cash and cash equivalents	New Zealand	AA-
Kiwibank Ltd 13/05/19 FRN	4.45%	Cash and cash equivalents	New Zealand	AA+
Inland Revenue Deposit 28/08/17 RCD	3.30%	Cash and cash equivalents	New Zealand	AAA
ANZ Bank New Zealand Ltd 22/03/19 FRN	3.08%	Cash and cash equivalents	New Zealand	AA-
Fonterra Cooperative Group Ltd 24/10/17 FRN	2.80%	Cash and cash equivalents	New Zealand	A
Kiwibank Ltd 13/10/17 3.12% TD	2.26%	Cash and cash equivalents	New Zealand	AA
China Construction Bank 23/02/18 3.40% TD	2.24%	Cash and cash equivalents	New Zealand	A
Westpac Bk Corp 20/06/18 3.13% TD	2.21%	Cash and cash equivalents	New Zealand	AA-

The top 10 investments make up 60.77% of the fund's net asset value.

Currency hedging

Not applicable.

Key personnel

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

Name	Current position	Time in current position	Previous or other positions	Time in previous / other position
Paul James Baldwin	Director	6 months	Head of NZX Wealth Technologies - NZX	11 months
Michael John Chamberlain	Head of SuperLife Funds Management - NZX	2 years and 5 months	Director - SuperLife	18 years and 6 months
Guy Roulston Elliffe	Director	1 year and 7 months	Corporate Governance Manager - ACC	2 years and 2 months
Bevan Keith Miller	Director	3 years and 10 months	Chief Financial Officer - NZX	4 years and 6 months
Alister John Williams	Director	1 year and 7 months	Investment Manager - Trust Management	2 years and 5 months

Further information

You can also obtain this information, the Product Disclosure Statement for the SuperLife UK pension transfer scheme, 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 1 month of market index returns.
- 2 On 9 November 2016, the total management and administration charges changed to 0.47% per annum. As a result, the total fund charges will be different in the year to 31 March 2018.