

# SuperLife UK pension transfer scheme

## Australian Shares Fund

### Fund update for the quarter ended 30 June 2019

This fund update was first made publicly available on 26 July 2019.

### What is the purpose of this update?

This document tells you how the Australian Shares 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 Australian Shares Fund is designed to provide a return (after tax, fees and other expenses) that reflects the after-tax return on the Australian share market.

|                                  |              |
|----------------------------------|--------------|
| Total value of the fund:         | \$823,617    |
| Number of investors in the fund: | 32           |
| The date the fund started:       | 24 July 2012 |

### What are the risks of investing?

#### Risk indicator for the Australian Shares Fund



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](http://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 2019. 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 the risk that changes to the UK's rules for recognised overseas pension schemes (**ROPS**) limit your ability to withdraw your investments or affect the UK tax you pay on your investment. We will not be liable for any loss you may suffer if this happens.

There is also 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.

See the 'Other Material Information' document on the offer register at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz) for further information about the risks of investing in the SuperLife UK pension transfer scheme.

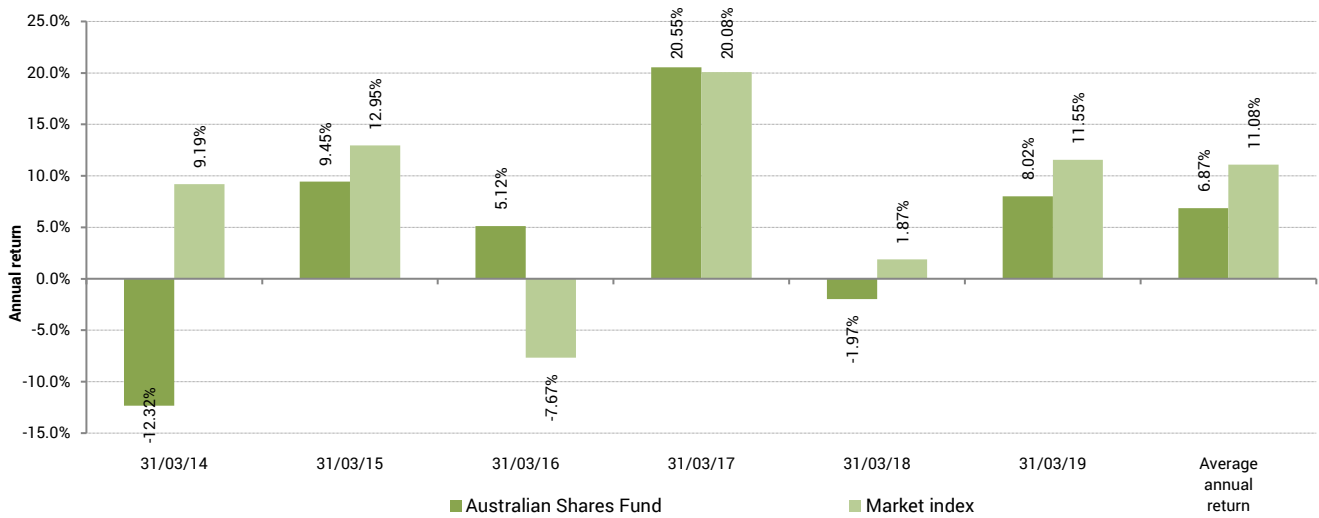
### How has the fund performed?

|  | Average over past 5 years | Past year |
|--|---------------------------|-----------|
| <b>Annual return</b><br>(after deductions for charges and tax)                   | 9.06%                     | 6.66%     |
| <b>Annual return</b><br>(after deductions for charges but before tax)            | 10.29%                    | 8.95%     |
| <b>Market index annual return</b><br>(reflects no deduction for charges and tax) | 8.76%                     | 10.45%    |

The market index annual return is based on the annual return of the S&P/ASX 200 Index (75% hedged to the New Zealand dollar). Additional information about the market index is available in the 'Other Material Information' document on the offer register at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz).



## 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 2019.

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

## What fees are investors charged?

Investors in the Australian Shares Fund are charged fund charges. In the year to 31 March 2019 these were:

|  | % per annum of fund's net asset value |
|--|---------------------------------------|
| <b>Total fund charges</b>                          | 0.60%                                 |
| Which are made up of:                              |                                       |
| <b>Total management and administration charges</b> | 0.60%                                 |
| Including:   |                                       |
| Manager's basic fee                                | 0.50%                                 |
| Other management and administration charges        | 0.10%                                 |
| <b>Other charges</b>                               | <b>Dollar amount per investor</b>     |
| 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 Product Disclosure Statement for the SuperLife UK pension transfer scheme for more information about those fees.

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

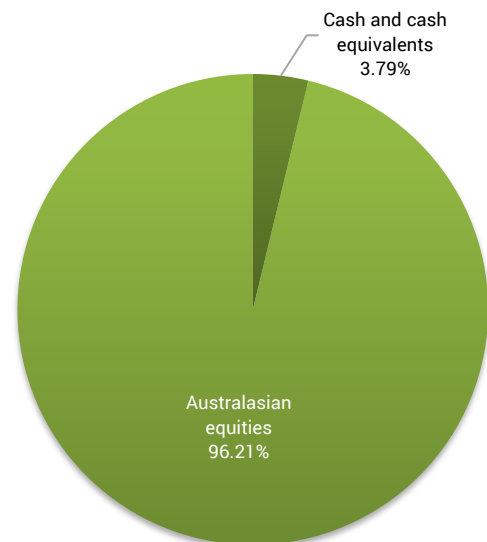
## Example of how this applies to an investor

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 \$666 (that is 6.66% of her initial \$10,000). Jess paid other charges of \$60. This gives Jess a total return after tax of \$606 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    | 1.00%            |
| New Zealand fixed interest   | -                |
| International fixed interest | -                |
| Australasian equities        | 99.00%           |
| International equities       | -                |
| Listed property              | -                |
| Unlisted property            | -                |
| Commodities                  | -                |
| Other                        | -                |

### Top 10 investments

| Name                           | % of fund's net asset value | Type                      | Country     | Credit rating (if applicable) |
|--------------------------------|-----------------------------|---------------------------|-------------|-------------------------------|
| Commonwealth Bank of Australia | 10.09%                      | Australasian equities     | Australia   |                               |
| BHP Billiton Ltd               | 7.85%                       | Australasian equities     | Australia   |                               |
| Westpac Banking Corp           | 5.74%                       | Australasian equities     | Australia   |                               |
| ANZ Banking Group Ltd          | 4.81%                       | Australasian equities     | Australia   |                               |
| National Australia Bank Ltd    | 4.29%                       | Australasian equities     | Australia   |                               |
| Rio Tinto Ltd                  | 4.21%                       | Australasian equities     | Australia   |                               |
| Westpac Current Account        | 3.81%                       | Cash and cash equivalents | New Zealand | AA-                           |
| Macquarie Group Ltd            | 3.29%                       | Australasian equities     | Australia   |                               |
| Wesfarmers Ltd                 | 2.44%                       | Australasian equities     | Australia   |                               |
| CSL Ltd                        | 2.31%                       | Australasian equities     | Australia   |                               |

The top 10 investments make up 48.84% of the fund's net asset value.

### Currency hedging

The fund's foreign currency exposure may be hedged to the New Zealand dollar, and hedging levels will vary between 0% and 110%. As at 30 June 2019, 71.43% of the fund's foreign currency exposure was hedged.



## 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 |
|-----------------------|---------------------------------------|--------------------------|--|-----------------------------------|
| Guy Roulston Elliffe  | Director                              | 3 years and 7 months     | Corporate Governance Manager - ACC                             | 4 years and 2 months              |
| Mark John Peterson    | Director                              | 1 year and 8 months      | Chief Executive Officer - NZX                                  | 2 years and 5 months              |
| Hugh Duncan Stevens   | Chief Executive Officer - Smartshares | 1 year and 4 months      | Chief Operating Officer - Implemented Investment Solutions Ltd | 2 years and 6 months              |
| Alister John Williams | Director                              | 3 years and 7 months     | Investment Manager - Trust Management                          | 4 years and 5 months              |
| Lindsay Megan Wright  | Director                              | 1 year                   | Director - NZX   | 1 year and 4 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.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz).