

Investment Update

SuperLife KiwiSaver scheme

SuperLife^{Age Steps} - Age 20

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 20 has performed and what fees were charged. The document will help you to compare the stage with 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 20 investment will be allocated 4% to SuperLife^{Income} and 96% to SuperLife¹⁰⁰ (which are managed funds this age step invests in).

Total value of the stage:	\$1,126,569
Number of investors in the stage:	349
The date the stage started:	15 September 2013

What are the risks of investing?

Risk indicator for SuperLife^{Age Steps} - Age 20 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 investment updates.

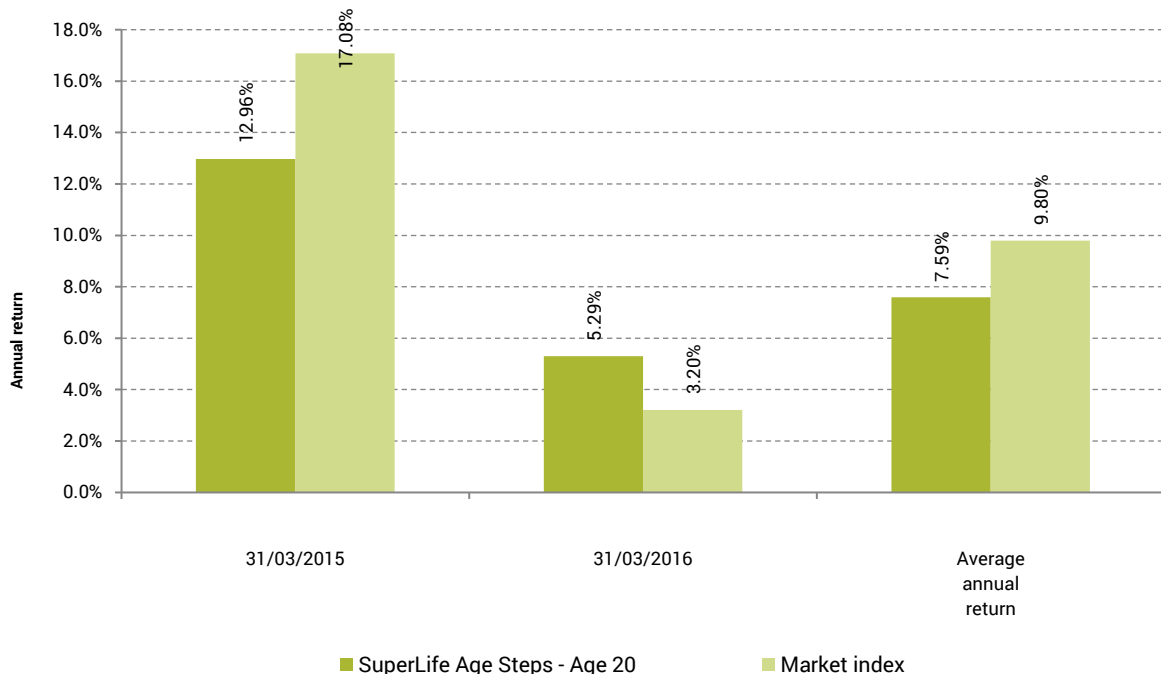
See the Product Disclosure Statement for the SuperLife KiwiSaver scheme for more information about the risks associated with investing in this stage.

How has the stage performed?

	Past year
Annual return (after deductions for charges and tax)	7.38%
Annual return (after deductions for charges but before tax)	8.61%
Market index annual return (reflects no deduction for charges and tax)	7.80%

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

Annual return graph



This shows the return after fund charges and tax for each year ending 31 March since the stage started. The last bar shows the average annual return since the stage started, up to 31 December 2016.

Important: This does not tell you how the stage 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 SuperLife^{Age Steps} - Age 20 are charged fund charges. In the year to 31 March 2016 these were:

	% per annum of stage's net asset value
Total fund charges	0.74%*
Which are made up of:	
Total management and administration charges	0.74%
Including:	
Manager's basic fee	0.68%
Other management and administration charges	0.06%
Total performance-based fees	0.00%
Other charges	Dollar amount per investor
Administration fee	\$33 per annum*

*From 9 November 2016, the total fund charges changed to an estimated 0.68% per annum of the fund's net asset value and the administration fee reduced to \$30 per annum.

The Scheme has a transfer fee. You will be charged this fee if you transfer your investment to another KiwiSaver scheme. The fee is \$100.

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 KiwiSaver scheme.

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

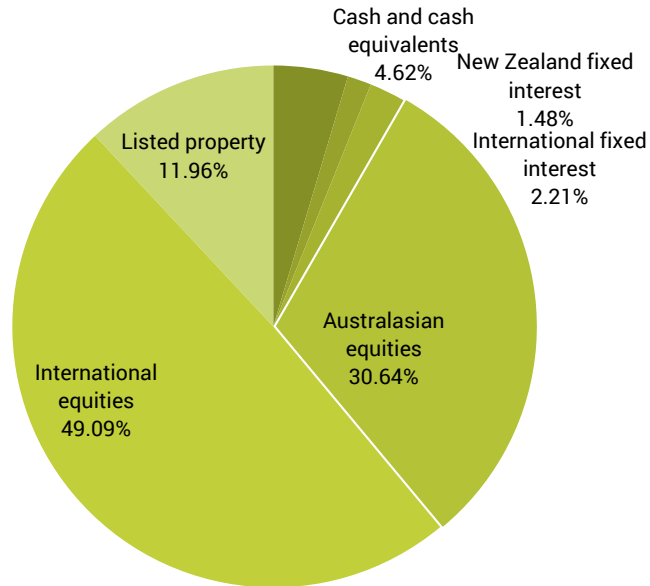
Example of how this applies to an investor

Jess had \$10,000 in the stag at the start of the year and did not make any further contributions. At the end of the year, Jess received a return after fund charges were deducted of \$738 (that is 7.38% of her initial \$10,000). Jess paid other charges of \$33². This gives Jess a total return after tax of \$705 for the year.

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	2.00%
International fixed interest	2.00%
Australasian equities	32.64%
International equities	51.84%
Listed property	11.52%
Unlisted property	-
Commodities	-
Other	-

Top 10 investments

Name	% of stage net assets	Type	Country	Credit rating (if applicable)
Vanguard FTSE Europe ETF	12.66%	International equities	United States	
Vanguard S&P 500 ETF	8.50%	International equities	United States	
Vanguard FTSE Emerging Markets ETF	6.32%	International equities	United States	
Vanguard FTSE Pacific ETF	4.55%	International equities	United States	
Vanguard Value ETF	3.27%	International equities	United States	
MI Somerset EM Dividend Growth Fund A Accumulation	3.05%	International equities	United Kingdom	
Vanguard Growth ETF	3.04%	International equities	United States	
Vanguard Small-Cap ETF	2.51%	International equities	United States	
ASB NZD Current Account	2.45%	Cash and cash equivalents	New Zealand	AA-
Vanguard Mid-Cap ETF	2.44%	International equities	United States	

The top 10 investments make up 48.78% 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 fund:

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 SuperLife KiwiSaver scheme Product Disclosure Statement, 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 year and 8 months of market index returns.
- 2 This is made up of 11 months of \$2.75 per month (when the administration fee was \$33 per annum) and 1 month of \$2.50 (when the administration fee was \$30 per annum).