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Now more than ever, investors are making decisions to incorporate global climate change and sustainability concerns in their investment decisions.

At Smartshares, we recognise investors view environmental, social and governance (ESG) factors through multiple lenses which are often shaped by different factors.

We set out below how investors can make informed investment choices that suit their own unique need and preferences. To achieve this we offer a range of funds, from fully integrated responsible investment options to full market index tracking options.

## Smartshares' approach to responsible investing

Our responsible investing policy integrates nine key elements that guide the decisions we make.

- 1. Investment Governance**

The Smartshares Investment Oversight Committee (IOC) is required, under its charter, to consider responsible investing matters explicitly with respect to any investment oversight and governance.
  - 2. Independent Consultant Advice**

Smartshares has engaged an independent investment consultant who provide us with independent advice on responsible investing best practices and is a member of our Investment Management Committee (IMC).
  - 3. Regular Policy Reviews**

Our Investment Oversight Committee is accountable for the effectiveness of our responsible investing approach and reviews this policy at least annually.
  - 4. Manager Selection**

Investment managers that have integrated responsible investing considerations in their investment research process achieve a higher rating in our manager selection process.
  - 5. Manager Reviews**

We hold quarterly reviews of third-party managers and their responsible investing policies are considered as part of this process.
  - 6. UNPRI Managers**

We prefer third-party managers who are United Nations Principles for Responsible Investing (UNPRI) signatories.
  - 7. ESG Index Tracking**

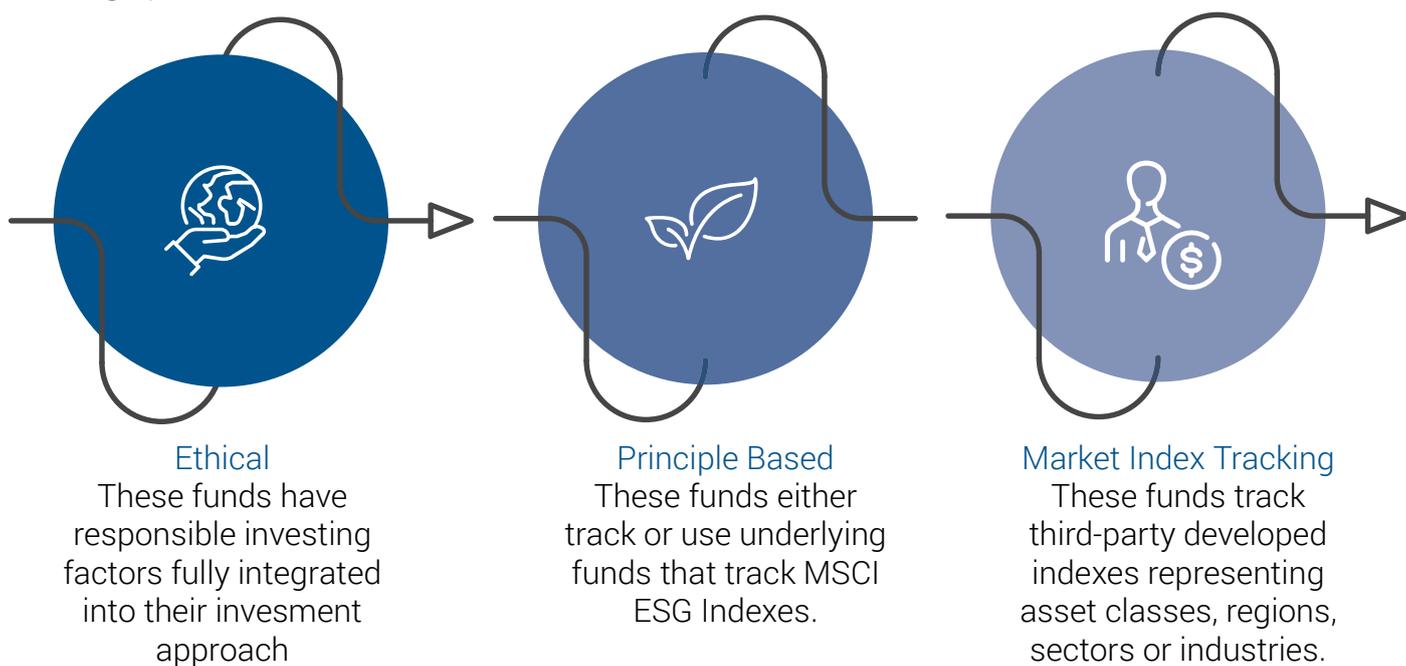
We have expanded our range of funds which track ESG indices, and we will use ESG equity benchmarks in our diversified funds.
  - 8. Proxy Voting**

Our third-party managers vote on ESG issues and we use outsourced solutions that enable voting on ESG issues for directly held securities.
  - 9. Transparency and Communication**

We aim to communicate our responsible investing approach clearly with our investors through regular reporting and on our website.
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## Smartshares Three Level Responsible Investing Framework

We offer a range of funds, from fully integrated responsible investment options to full market index tracking options.



### Ethical Range

The SuperLife Ethica fund is designed for investors who want to maintain a diversified approach to investing but want to do this in a sustainable way.

Smartshares, as manager of this fund, either instructs underlying managers to exclude securities, or invests in funds that have a fully-integrated sustainable investing approach.

The fund invests in Dimensional Fund Advisors (DFA) Sustainability Trusts for both Global Equities and Bonds. DFA apply a systematic investment methodology that incorporates ESG factors into their decision-making process.

The fund is precluded from investing in companies where the activities of the entities behind the investment:

- Have an overall negative impact on social and community outcomes; or
- would be illegal in New Zealand; or
- are inconsistent with the United Nations' policies on health and safety, child rights and human rights; or
- are expected to result in long-term, detrimental change to the environment.

The Ethica fund excludes investments where a material part of revenue and/or activities are derived from gambling, tobacco, alcohol, armaments, pornography or fossil fuel extraction.

Dimensional Fund Advisors (DFA) has been a signatory to the United Nations Principles of Responsible Investing (UNPRI) since 2012.

As well as the Ethica fund we also offer a range of third-party actively managed Guest 3rd party funds on our platform which have an integrated approach to responsible investing.

Ethical Range	UNPRI	ESG Intergrated	ESG Screened	Thematic Funds	Active Ownership / Proxy Voting	Kiwisaver	Superlife Invest	Workplace savings	UK Pension	Wholesale Fund	ETF
<b>Dimensional</b>	✓	✓	✓		✓						
Ethica Balanced Fund						●	●	●	●		
<b>Schroders</b>	✓	✓	✓		✓						
Schroder Australian Equity										●	
Schroder Real Return PIE										●	
<b>T.Rowe Price</b>	✓	✓	✓		✓						
SuperLife Active Global Equities (USD)										●	
<b>Castle Point</b>	✓	✓	✓		✓						
Castle Point Castle Point 5 Oceans						●	●	●	●		

## Principle Based Range

Our principles-based responsible investment funds either track or use underlying funds that track MSCI ESG Indexes. The indexes screen out companies that engage in contentious activities including: controversial weapons, civilian firearms, nuclear weapons, thermal coal, nuclear power, tobacco, oil sands, and companies that have failed UN Global Compact rulings.

Principles Based Range	UNPRI	ESG Intergrated	ESG Screened	Thematic Funds	Active Ownership / Proxy Voting	Kiwisaver	Superlife Invest	Workplace savings	UK Pension	Wholesale Fund	ETF
<b>PIMCO</b>	✓		✓		✓						
Smartshares Global Bond Fund											●
Superlife Global Bond Fund						●	●	●	●		
<b>Vanguard</b>	✓		✓		✓						
Superlife Overseas Non - Government Bond Fund						●	●	●	●		
<b>Nikko</b>	✓		✓		✓						
Smartshares NZ Bond Fund											●
Superlife NZ Bond Fund						●	●	●	●		
<b>BlackRock</b>	✓		✓		✓						
Smartshares Emerging Markets Equities ESG											●
Smartshares Europe Equities ESG											●
Smartshares Global Equities ESG											●
Smartshares Japan Equities ESG											●
Smartshares US Equities ESG											●
Smartshares Global Aggregate Bond Fund						●	●	●	●		●
Superlife Global Aggregate Bond Fund											●
<b>Dimensional</b>	✓		✓								
NZ Core Equity Trust										●	
<b>Smartshares</b>	✓		✓		✓						
SuperLife SuperLife Income						●	●	●	●		
SuperLife SuperLife Conservative						●	●	●	●		
SuperLife SuperLife Balanced						●	●	●	●		
SuperLife SuperLife Growth						●	●	●	●		
SuperLife SuperLife High Growth						●	●	●	●		
SuperLife SuperLife Age Steps 20						●	●	●	●		
SuperLife SuperLife Age Steps 30						●	●	●	●		
SuperLife SuperLife Age Steps 40						●	●	●	●		
SuperLife SuperLife Age Steps 50						●	●	●	●		
SuperLife SuperLife Age Steps 60						●	●	●	●		
SuperLife SuperLife Age Steps 70						●	●	●	●		
SuperLife SuperLife Age Steps 80						●	●	●	●		

## Market Index Tracking Range

These funds track third-party developed indexes representing asset classes, regions, sectors or industries. They do not apply any ESG screens other than those included in the construction of the index.

Market Index Tracking Range	UNPRI	ESG Intergrated	ESG Screened	Thematic Funds	Active Ownership / Proxy Voting	Kiwisaver	Superlife Invest	Workplace savings	UK Pension	Wholesale Fund	ETF
<b>BlackRock</b>	✓			✓	✓						
Smartshares Automation and Robotics											●
Smartshares Healthcare Innovation											●
<b>Vanguard</b>	✓				✓						
Smartshares S&P/ASX 200											●
Smartshares US 500											●
Smartshares US Large Value											●
Smartshares US Large Growth											●
Smartshares US Small Cap											●
Smartshares US Mid Cap											●
Smartshares Europe											●
Smartshares Asia Pacific											●
Smartshares Emerging Markets											●
Smartshares Total World											●
Smartshares Total World (NZD Hedged)											●
Superlife US 500 Fund						●	●	●	●		
Superlife US Large Growth Fund						●	●	●	●		
Superlife US Large Value Fund						●	●	●	●		
Superlife US Mid Cap Fund						●	●	●	●		
Superlife US Small Cap Fund						●	●	●	●		
Superlife Overseas Shares Fund						●	●	●	●		
Superlife Overseas Shares (Currency Hedged) Fund						●	●	●	●		
Superlife Total World Fund						●	●	●	●		
Superlife Total World (NZD Hedged) Fund						●	●	●	●		
Superlife Asia Pacific Fund						●	●	●	●		
Superlife Emerging Markets Fund						●	●	●	●		
Superlife Europe Fund						●	●	●	●		
Superlife Global Property Fund						●	●	●	●		

Market Index Tracking Range	UNPRI	ESG Intergrated	ESG Screened	Thematic Funds	Active Ownership / Proxy Voting	Kiwisaver	Superlife Invest	Workplace savings	UK Pension	Wholesale Fund	ETF
<b>Smartshares</b>											
SuperLife S&P/NZX 50						●	●	●	●		
SuperLife NZ Shares						●	●	●	●		
SuperLife NZ Top 50						●	●	●	●		
SuperLife NZ Top 10						●	●	●	●		
SuperLife NZ Mid Cap						●	●	●	●		
SuperLife NZ Dividend						●	●	●	●		
SuperLife NZ Property						●	●	●	●		
SuperLife S&P/ASX 200						●	●	●	●		
SuperLife Australian Shares						●	●	●	●		
SuperLife Australian Top 20						●	●	●	●		
SuperLife Australian Mid Cap						●	●	●	●		
SuperLife Australian Dividend						●	●	●	●		
SuperLife Australian Financials						●	●	●	●		
SuperLife Australian Resources						●	●	●	●		
SuperLife Australian Property						●	●	●	●		
SuperLife NZ Cash						●	●	●	●		
SuperLife UK Cash						●	●	●	●		
Smartshares NZ Top 50 ETF											●
Smartshares NZ Top 10 ETF											●
Smartshares NZ Mid Cap ETF											●
Smartshares NZ Dividend ETF											●
Smartshares NZ Property ETF											●
Smartshares S&P/NZX 50 ETF											●
Smartshares Australian Top 20 ETF											●
Smartshares Australian Mid Cap ETF											●
Smartshares Australian Dividend ETF											●
Smartshares Australian Property ETF											●
Smartshares Australian Resources ETF											●
Smartshares Australian Financials ETF											●
Smartshares NZ Cash ETF											●
Smartshares S&P/NZX NZ Government Bond ETF											●

- ✓ A single Fund where the underlying manager meets this criteria
- ✓ A diversified Fund whereby one or more of the underlying managers meets this criteria

## Governance

The Smartshares Board is responsible for the application of this policy as part of their oversight and governance of the Smartshares investment management function.

The Chief Investment Officer (CIO) provides a quarterly report to the IOC outlining the ESG exclusions by securities and/or sector and the degree to which third-party managers integrate responsible investing as part of their investment process.

Any breaches of exclusions must be reported by the CIO to the IOC on a quarterly basis.

The IOC reviews this policy annually or more frequently if required to ensure this policy remains current.