

SuperLife Invest

Annual Report 2017

28 October 2016 to 31 March 2017

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Welcome from the Chairman

I am pleased to present the annual report for SuperLife Invest (the Scheme) for the period ended 31 March 2017.

This was a pivotal year as we moved to comply with the new financial markets legislation, the Financial Markets Conduct Act 2013. The move resulted in changes to our operational structure, with Smartshares Limited becoming the licensed manager of all SuperLife schemes. This Scheme in particular was introduced to offer flexible savings options, alongside our existing KiwiSaver, workplace savings and UK pension transfer options.

We remain committed to providing passive and low cost investment solutions to meet the needs of our clients. Low fees means more of the investment returns end up in your account.

If you are approaching or in retirement, we encourage you to think about how you will spend and invest your money through your retirement. SuperLife's managed income solution can help you spend your savings when you need to, while continuing to invest the balance you don't spend. Please get in touch with us if you would like to learn more.

To see how your funds have performed this year, see page 5. You can also find information about each fund's investment mix, top investments and performance in the quarterly fund update reports, available on our website.

Thank you for choosing Smartshares Limited to manage your investment savings.

Bevan Miller
Chairman
Smartshares Limited

Investment options

The Scheme offers 40 funds and one life-cycle investment option (SuperLife^{Age Steps}). These investment options are as follows:

- SuperLife^{Age Steps}: A life cycle investment option where the mix of income and growth assets is set based on your age. As you get older, the proportion of your investment in growth assets will be reduced, lowering the expected size of the ups and downs in the value of your investment;
- Managed funds: A series of funds that provide a range of risk-return profiles. The funds invest in a mix of the sector and ETF funds (except for Ethica, a socially responsible fund that invests directly in income and growth assets that meet the fund's investment standards); and
- Sector and ETF funds: A series of funds invested in New Zealand and international markets that you can use to set your own investment strategy across the main investment asset classes of cash, fixed interest, shares and property.

Full details of our investment options are in the product disclosure statement (PDS) and available on our website.

Investment returns 28 October 2016 to 31 March 2017

After total fund charges, and after tax at the prescribed investor rate of 28%

Below are the investment returns for the Scheme, calculated based on an investment made on 28 October 2016. Investment returns will vary for each member depending on the investment option(s) chosen, prescribed investor rate (PIR), and contributions or withdrawals.

Sector Funds	% return 28% PIR	Exchange Traded Funds (ETFs)	% return 28% PIR
NZ Cash	0.8	NZ Cash ETF	0.8
NZ Bonds	0.2	NZ Bond ETF	0.2
Overseas Bonds	0.1	Global Bond ETF	0.2
Overseas Non-govt. bonds	-0.6	NZ Dividend ETF	2.3
Property	5.3	NZ Top 50 ETF	4.8
NZ Shares	7.0	NZ Top 10 ETF	-1.2
Australian Shares	15.5	NZ Mid Cap ETF	7.5
Ov. Shares Currency Hedged	11.7	NZ Property ETF	-1.1
Ov. Shares	11.9	Australian Top 20 ETF	17.5
Emerging Markets	8.2	Australian Dividend ETF	16.1
UK Cash	1.7	Australian Financials ETF	20.8
		Australian Property ETF	13.2
Managed Funds		Australian Resources ETF	12.9
SuperLife ^{Income}	0.0	Australian Mid Cap ETF	13.3
SuperLife ³⁰	3.2	Total World ETF	11.5
SuperLife ⁶⁰	6.2	US 500 ETF	12.5
SuperLife ⁸⁰	8.3	Europe ETF	11.5
SuperLife ¹⁰⁰	10.2	Asia Pacific ETF	9.0
Ethica	4.3	US Large Growth ETF	12.7
		US Large Value ETF	12.6
		US Mid Cap ETF	13.2
		US Small Cap ETF	15.2
		Emerging Markets ETF	8.4

The returns of the SuperLife^{Age Steps} investment option vary by age and are based on the returns of the individual funds that make up the investment strategy for the age. You can view the latest fund updates for a selection of ages by visiting www.superlife.co.nz/legal-doc.

Statutory information

The information set out in this section is required by Part 5, Schedule 4 of the Financial Markets Conduct Regulations 2014.

Details of the Scheme

This is the annual report for SuperLife Invest (SCH10765) for the period 14 September 2016 to 31 March 2017. The Scheme is a managed investment scheme.

The Scheme's manager is Smartshares Limited (Smartshares or Manager), which is a wholly owned subsidiary of NZX Limited (NZX) and the Scheme's supervisor is Public Trust (the Supervisor).

The latest PDS is dated 11 April 2017, and the Scheme is open for applications.

The latest fund update for each fund offered by the Scheme is dated 28 April 2017.

The Scheme's latest financial statements for the period ended 31 March 2017, including the auditor's report relating to those statements, have been lodged with the Registrar.

Copies of the PDS, financial statements, audit report and fund updates are available online at www.superlife.co.nz/legal-doc and at www.companiesoffice.govt.nz/disclose.

Information on contributions and Scheme participants

	At 31 March 2017	At 28 October 2016
Total amount of Scheme participants' accumulations	\$1,752,969,973	0
Total number of Scheme participants to which that relates	221	0

Changes relating to the Scheme

This section provides a summary of material changes made to the nature of the Scheme, the investment objectives and strategy or the management of the Scheme during the year.

The Scheme was established on 14 September 2016 and was first registered on the Disclose Register on 3 November 2016.

The Statement of Investment Policy and Objectives (SIPO) was adopted on 2 November 2016, and subsequently updated to amend the market index for the Emerging Markets Fund on 8 December 2016.

Related party transactions

Certain funds in the Scheme may hold financial products, such as shares or bonds, issued by NZX. As Smartshares is a wholly owned subsidiary of NZX, Smartshares and NZX are related parties.

The Scheme invests in other managed investment schemes (or funds within those schemes) managed by Smartshares, as set out in the SIPO for the Scheme.

The following related party transactions were approved in the accounting period:

- The Manager buying and selling financial products issued by related entities (including NZX and other managed investment schemes that are managed by the Manager, in particular the Smartshares Exchange Traded Funds) as set out in the Scheme's SIPO.

All related party transactions are conducted on arm's length terms.

Other information for particular types of managed funds

Not applicable.

Changes to persons involved in the Scheme

Manager

Smartshares became the Manager of the Scheme when it was established on 14 September 2016. At that time, the Board of Smartshares consisted of Bevan Keith Miller (Chairman), Timothy Oliver Bennett, Guy Roulston Elliffe and Alister John Williams.

Timothy Oliver Bennett resigned as a director on 30 December 2016. Paul James Baldwin was appointed as a director on 30 December 2016.

Supervisor

Public Trust was appointed as the Supervisor on 9 November 2016. Graham Arthur Naylor, Dianne Victoria McAteer and Bevan Edward Killick were appointed to the Public Trust Board on 1 November 2016. Diana Puketapu and Dinu Harry's terms ended on 31 October 2016.

How to find further information

For further information relating to the Scheme and your investment options, including the PDS, financial statements, annual reports, fund updates and the SIPO, visit the Disclose Register at www.companiesoffice.govt.nz/disclose. A copy of the information on the Disclose Register is available on request to the Registrar of Financial Service Providers.

The information set out above is also available at www.superlife.co.nz or by contacting the Manager (see page 9 for contact details). The information can be obtained from the Manager free of charge.

The current value of a member's investment is available online, via a phone app or by contacting the Manager. This information is also available free of charge.

Contact details and complaints

Manager

The Manager's contact details are:

Smartshares Limited
PO Box 105262
Auckland 1143
Telephone: 0800 27 87 37
Email: superlife@superlife.co.nz

Complaints about the Scheme can be made to the Manager using the contact details set out above. Please direct complaints to NZX Head of Funds Management at the address set out above.

Supervisor

The Supervisor's contact details are:

Manager Client Services
Public Trust
PO Box 1598, Shortland Street
Auckland 1140
Telephone: 0800 371 471
Email: Cts.enquiry@publictrust.co.nz

Complaints about the Scheme can be made to the Supervisor using the contact details set out above.

Independent dispute resolution scheme

The independent dispute resolution scheme's contact details are:

Financial Services Complaints Limited
PO Box 5967
Wellington 6140
Telephone: 0800 347 257
Email: complaints@fscl.org.nz

Smartshares is a member of the Financial Services Complaints Limited Scheme (the Supervisor is also a member), which is an independent dispute resolution scheme. Complaints about the Scheme can be made to the independent dispute resolution scheme using the contact details set out above. The independent dispute resolution scheme will not charge a complainant a fee to investigate or resolve a complaint.