



SUPERLIFE

a Member of the NZX Group

STATEMENT OF INVESTMENT POLICY AND OBJECTIVES (SIPO)



SuperLife Invest

29 June 2018



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1. Description of the Scheme

SuperLife Invest (**Scheme**) is a managed investment scheme under the Financial Markets Conduct Act 2013. The Scheme is managed by Smartshares Limited (**Smartshares**), which is a wholly-owned subsidiary of NZX Limited.

2. Investment philosophy

The Scheme's philosophy, which underpins how we implement the investment strategy for each investment option, is:

- **Passive:** We believe that a passive approach to investing will deliver better long-term results. Passive investing means we will either invest in a fund designed to track an index or in a number of assets for the long term. We do not think that constantly changing our investments (that is, trading regularly and seeking short-term gains), consistently adds value to investors.
- **Cost effective:** We make decisions based on what is practical, sensible and for the long term. All decisions must be cost effective – the return to you is improved by the careful management of costs.
- **Diversified:** We believe that better and more consistent outcomes result from diversification. Diversification is about investing in a number of investments and reducing your risk by doing so.
- **Simple:** We aim to keep things simple.

3. Investment options

The Scheme has 41 investment options.

SuperLife^{Age Steps}

SuperLife^{Age Steps} is an investment option where the mix of income and growth assets is automatically 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.

SuperLife^{Age Steps} invests in SuperLife¹⁰⁰ and SuperLife^{Income} (both managed funds) and the NZ Cash Fund (a sector fund).

The mix of income and growth assets from under age 18 to age 100 is set out in schedule 1 of this SIPO.

Ethical fund

Ethica is a socially responsible balanced fund which excludes assets that do not meet the fund's defined ethical investment standards.

Ethica invests in managed investment schemes managed by third parties, directly held financial products (such as shares) and cash.



Managed funds

The managed funds are a range of five funds that provide a range of risk-return profiles. The funds invest in a mix of the sector and ETF funds. If you invest in a managed fund, it's up to you to change funds if your risk-return profile changes.

The managed funds invest in the sector and ETF funds and cash.

Sector and ETF funds

The sector and ETF funds are a range of 34 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. If you invest in the sector and ETF funds, it's up to you to change funds if your investment strategy changes.

Each of the sector funds invests almost entirely in one asset class. The sector funds invest in the Smartshares Exchange Traded Funds, managed investment schemes managed by third parties, directly held financial products¹ (such as shares) and cash.

Each of the ETF funds invests almost entirely in the equivalent Smartshares Exchange Traded Fund. For example, the NZ Dividend ETF Fund invests in the Smartshares Exchange Traded Funds' NZ Dividend Fund.

4. Investment objective

The objective of the Scheme is to offer access to a wide range of investment options.

The investment objectives and strategies for each fund available in this Scheme are set out in schedules 2 to 41 of this SIPO, together with the market indices used to measure the performance of the assets that each fund invests in.

5. Investment policies

Hedging

Hedging involves removing some or all of the foreign currency risk implicit in owning international assets. This limits the impact of foreign exchange rate movements on investment performance.

Where a fund has foreign currency exposure, Smartshares hedging policy is set out in the individual investment objectives and strategies for the fund. These are set out in schedules 2 to 41 of this SIPO.

Derivatives

Except for currency hedging, Smartshares does not use derivatives. However, a fund may invest in managed investment schemes that do.

Rebalancing

Rebalancing involves periodically buying and selling assets so that a fund's actual asset allocation is consistent with its target asset allocation.

¹ The NZ Share Fund and Australian Shares Fund may invest in directly held financial products. The other sector funds do not.



Generally, a fund's actual asset allocation is rebalanced towards the target asset allocation through the allocation of cash flow. That is, investor contributions and investment income are invested in the asset classes that are under the target asset allocation, and investor withdrawals are funded from, where necessary, the sale of assets in the asset classes that exceed the target asset allocation.

Where:

- the actual asset allocation differs from the target asset allocation by 4% or more; or
- the actual asset allocation differs from the target asset allocation by 2% or more for a six-month period,

a fund will rebalance by selling assets in the asset classes that exceed the target asset allocation, and by investing in the asset classes that are under the target asset allocation. The fund will do this over a six-month period.

Smartshares may choose not to rebalance a fund, provided the actual asset allocation is within the asset allocation ranges.

Financial product lending

Financial product lending is typically entered into when a financial institution (**borrower**) does not have sufficient financial products to complete a sale that it has agreed to, and therefore borrows financial products from a fund to meet its obligations. After completion of the sale, the borrower returns replacement financial products to the fund, together with an amount equal to any dividends that may have become payable over the loan period.

The Scheme may undertake financial product lending.

6. Investment governance and management

Smartshares Board

The Smartshares Board is responsible for managing and overseeing the business and affairs of Smartshares, including:

- approving the investment strategies and the SIPOs for the managed investment schemes managed by Smartshares;
- monitoring compliance with the SIPOs; and
- considering any limit breaks (a limit break is a material breach of a SIPO) and deciding how to correct the limit break, and how to minimise the risk of a recurrence of that type of limit break or to ensure early notification and correction of that type of limit break.

Smartshares' directors are appointed by NZX.

NZX Funds Management Oversight Committee

The NZX Funds Management Oversight Committee is responsible for overseeing Smartshares' operations, including:

- reviewing the investment strategies and the SIPOs for the managed investment schemes managed by Smartshares;



- monitoring compliance with the SIPOs; and
- considering any breaches of the SIPOs and deciding whether a breach is a limit break.

The members of the NZX Funds Management Oversight Committee are senior managers of Smartshares or NZX, and are appointed by the Smartshares Board.

The NZX Funds Management Oversight Committee reports to the Smartshares Board.

Head of Compliance

The Head of Compliance is responsible for:

- overseeing the compliance of Smartshares' operations; and
- reporting all material issues or failures to comply with compliance obligations to the Smartshares Board.

The Head of Compliance is a senior manager of NZX and reports to NZX's Chief Executive Officer, the Smartshares Board and the NZX Funds Management Oversight Committee.

Supervisor

The supervisor supervises Smartshares' operations to protect the interests of investors.

The supervisor is independent of Smartshares.

The supervisor is Public Trust.

Custodians

The custodians hold the Scheme's assets on behalf of investors.

The custodians are appointed by the supervisor and are independent of Smartshares.

The custodians are BNP Paribas Fund Services Australasia Pty Ltd and Public Trust (acting through its nominee company, SuperLife Nominees Limited).

7. Investment performance monitoring and reporting

Smartshares monitors the investment performance of each of the funds in the Scheme.

Every month, Smartshares prepares investment performance reports. These are provided to the NZX Funds Management Oversight Committee and the Smartshares Board.

The NZX Funds Management Oversight Committee and the Smartshares Board monitor the investment performance of the Scheme.

8. Investment strategy review

The NZX Funds Management Oversight Committee will review the Scheme's investment strategy annually. When undertaking the review, the NZX Funds Management Oversight Committee will consider whether changes to market conditions necessitate changes to either: (1) the nature or types of investments that can be made and any limits on those; and/or (2) any limits on the proportions of each type of asset invested in.



The NZX Funds Management Oversight Committee will undertake an ad hoc review of the Scheme's investment strategy if:

- changes to market conditions necessitate changes to either: (1) the nature or types of investments that can be made and any limits on those; and/or (2) any limits on the proportions of each type of asset invested in; or
- the Smartshares Board instructs the NZX Funds Management Oversight Committee to review the Scheme's investment strategy.

The NZX Funds Management Oversight Committee will report to the Smartshares Board as to the outcome of its review, together with any proposed changes to the Scheme's investment strategy.

The Smartshares Board will consider the NZX Funds Management Oversight Committee's report and may approve the changes to the Scheme's investment strategy.

9. SIPO review

The NZX Funds Management Oversight Committee will review this SIPO annually. When undertaking the review, the NZX Funds Management Oversight Committee will consider: (1) whether changes to the law or the Financial Markets Authority's guidance necessitate changes to the Scheme's investment policies and objectives; and (2) whether changes to the Scheme's investment strategy (made as part of an annual review of investment strategy) necessitate changes to this SIPO.

The NZX Funds Management Oversight Committee will undertake an ad hoc review of this SIPO if:

- changes to the law or the Financial Markets Authority's guidance necessitate changes to the Scheme's investment policies and objectives; or
- the Smartshares Board instructs the NZX Funds Management Oversight Committee to review this SIPO; or
- changes to the Scheme's investment strategy (made as part of an ad hoc review of investment strategy) necessitate changes to this SIPO.

The NZX Funds Management Oversight Committee will report to the Smartshares Board as to the outcome of its review, together with any proposed changes to this SIPO.

The Smartshares Board will consider the NZX Funds Management Oversight Committee's report and may approve the changes to this SIPO.

Where the changes to this SIPO materially affect investors, Smartshares will, prior to effecting any such changes, give at least 30 days' written notice to investors and if such notice is required, the change will not be effective until such notice period has expired.



Schedules

SuperLife^{Age Steps}

Schedule 1 – SuperLife^{Age Steps}

The mix of income and growth assets from under age 18 to age 100 is set out below.

Member age	Income assets	Growth assets
18	-	100%
18	-	100%
19	2%	98%
20	4%	96%
21	6%	94%
22	8%	92%
23	10%	90%
24	12%	88%
25	14%	86%
26	16%	84%
27	18%	82%
28	20%	80%
29	20%	80%
30	20%	80%
31	20%	80%
32	20%	80%
33	20%	80%
34	20%	80%
35	20%	80%

36	20%	80%
37	20%	80%
38	20%	80%
39	20%	80%
40	20%	80%
41	20%	80%
42	20%	80%
43	20%	80%
44	20%	80%
45	20%	80%
46	21%	79%
47	22%	78%
48	23%	77%
49	24%	76%
50	25%	75%
51	27%	73%
52	29%	71%
53	31%	69%
54	33%	67%
55	35%	65%



56	36.5%	63.5%
57	38%	62%
58	39.5%	60.5
59	41%	59%
60	42.5%	57.5
61	54%	56%
62	55.5%	54.5
63	47%	53%
64	48.5%	51.5
65	50%	50%
66	53%	48%
67	54%	46%
68	56%	44%
69	58%	42%
70	60%	40%
71	62%	38%
72	64%	36%
73	66%	34%
74	68%	32%
75	70%	30%
76	74%	26%
77	78%	22%
78	82%	18%

79	86%	14%
80	90%	10%
81	92%	8%
82	94%	6%
83	96%	4%
84	97%	2%
85	100%	-
86	100%	-
87	100%	-
88	100%	-
89	100%	-
90	100%	-
91	100%	-
92	100%	-
93	100%	-
94	100%	-
95	100%	-
96	100%	-
97	100%	-
98	100%	-
99	100%	-
100	100%	-



Ethical fund

Schedule 2 – Ethica

Investment objective

Designed for investors that want a balanced investment option. A socially responsible fund which excludes assets that do not meet the fund's defined ethical investment standards.

Investment strategy

Purpose	Asset class	Target	Range	Market index
Income	Cash and cash equivalents	1%	0% - 50%	S&P/NZX Bank Bills 90-Day Index
	New Zealand fixed interest	13%	0% - 55%	S&P/NZX NZ Government Bond Index
	International fixed interest	26%	0% - 55%	Bloomberg Barclays Global Aggregate Index (100% hedged to the New Zealand dollar)
	Total	40%	20% - 60%	
Growth	Australasian equities	14.5%	0% - 50%	70% S&P/NZX 50 Portfolio Index 30% S&P/ASX 200 Index (75% hedged to the New Zealand dollar)
	International equities	38%	0% - 50%	FTSE Developed All-Cap Index (75% hedged to the New Zealand dollar)
	Listed property	7.5%	0% - 30%	25% S&P/NZX Real Estate Select Index 25% S&P/ASX 200 A-REIT Equal Weight Index (75% hedged to the New Zealand dollar) 50% FTSE EPRA/NAREIT developed ex Australia rental index (75% hedged to the New Zealand dollar)



	Total	60%	40% - 80%	
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Permitted investments

The fund may invest in the following assets:

- financial products quoted on the NZX or an international stock exchange (which is a member of the World Federation of Exchanges);
- tradeable debt securities;
- any managed investment scheme; and
- cash and cash equivalents.

The fund may also invest in other assets (which are not set out above) that Smartshares considers appropriately reflect the risk profile of the fund and will contribute to the investment objectives of the fund.

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments (and managed investment schemes that primarily invest in cash and cash equivalents).

Ethical investment standards

The fund may not invest in investments where (in Smartshares' opinion) 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.

Current investments and sectors that are excluded are those where a material part of their revenue and/or activities are in the areas of gambling, tobacco, alcohol, armaments, pornography and fossil fuel extraction.

Hedging

The fund's foreign currency exposure may be hedged to the New Zealand dollar, and hedging levels will vary between 0% and 110%.

Rebalancing

The fund is rebalanced in accordance with Smartshares' rebalancing policy.

Other

The fund can borrow up to 10% of the aggregate value of its investments, but only for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



Managed funds

Schedule 3 – SuperLife^{Income}

Investment objective

Designed for investors that want an investment in New Zealand and international fixed interest.

Investment strategy

Purpose	Asset class	Target	Range	Market index
Income	Cash and cash equivalents	1%	0% - 20%	S&P/NZX Bank Bills 90-Day Index
	New Zealand fixed interest	34%	0% - 70%	S&P/NZX A-Grade Corporate Bond Index
	International fixed interest	65%	0% - 70%	50% Bloomberg Barclays Global Aggregate Index (100% hedged to the New Zealand dollar) 50% Bloomberg Barclays Global Aggregate Government-Related and Corporate Index (100% hedged to the New Zealand dollar)
	Total	100%	100%	

Permitted investments

The fund may invest in the following assets:

- the sector and ETF funds that primarily invest in income assets; and
- cash and cash equivalents.

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments (and managed investment schemes that primarily invest in cash and cash equivalents).

Hedging

The fund's foreign currency exposure is not hedged, but the fund may invest in other funds which foreign currency exposure is hedged.

Rebalancing

The fund is rebalanced in accordance with Smartshares' rebalancing policy.



Other

The fund can borrow up to 10% of the aggregate value of its investments, but only for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



Schedule 4 – SuperLife³⁰

Investment objective

Designed for investors that want a conservative investment option.

Investment strategy

Purpose	Asset class	Target	Range	Market index
Income	Cash and cash equivalents	1%	0% - 20%	S&P/NZX Bank Bills 90-Day Index
	New Zealand fixed interest	24%	0% - 50%	S&P/NZX A-Grade Corporate Bond Index
	International fixed interest	45%	0% - 60%	50% Bloomberg Barclays Global Aggregate Index (100% hedged to the New Zealand dollar) 50% Bloomberg Barclays Global Aggregate Government-Related and Corporate Index (100% hedged to the New Zealand dollar)
	Total	70%	50% - 90%	
Growth	Australasian equities	6.5%	0% - 30%	70% S&P/NZX 50 Portfolio Index 30% S&P/ASX 200 Index (75% hedged to the New Zealand dollar)
	International equities	16%	0% - 35%	62% FTSE Developed All-Cap Index (100% hedged to the New Zealand dollar) 21% FTSE Developed All-Cap Index (converted to the New Zealand dollar) 17% FTSE Emerging Markets All Cap China A Inclusion Index (converted to the New Zealand dollar)



	Listed property	7.5%	0% - 15%	25% S&P/NZX Real Estate Select Index 25% S&P/ASX 200 A-REIT Equal Weight Index (75% hedged to the New Zealand dollar) 50% FTSE EPRA/NAREIT developed ex Australia rental index (75% hedged to the New Zealand dollar)
	Total	30%	10% - 50%	

Permitted investments

The fund may invest in the following assets:

- the sector and ETF funds; and
- cash and cash equivalents.

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments (and managed investment schemes that primarily invest in cash and cash equivalents).

Hedging

The fund's foreign currency exposure is not hedged, but the fund may invest in other funds which foreign currency exposure is hedged.

Rebalancing

The fund is rebalanced in accordance with Smartshares' rebalancing policy.

Other

The fund can borrow up to 10% of the aggregate value of its investments, but only for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



Schedule 5 – SuperLife⁶⁰

Investment objective

Designed for investors that want a balanced investment option.

Investment strategy

Purpose	Asset class	Target	Range	Market index
Income	Cash and cash equivalents	1%	0% - 20%	S&P/NZX Bank Bills 90-Day Index
	New Zealand fixed interest	13%	0% - 30%	S&P/NZX A-Grade Corporate Bond Index
	International fixed interest	26%	0% - 40%	50% Bloomberg Barclays Global Aggregate Index (100% hedged to the New Zealand dollar) 50% Bloomberg Barclays Global Aggregate Government-Related and Corporate Index (100% hedged to the New Zealand dollar)
	Total	40%	20% - 60%	
Growth	Australasian equities	14.5%	0% - 40%	70% S&P/NZX 50 Portfolio Index 30% S&P/ASX 200 Index (75% hedged to the New Zealand dollar)
	International equities	38%	0% - 50%	62% FTSE Developed All-Cap Index (100% hedged to the New Zealand dollar) 21% FTSE Developed All-Cap Index (converted to the New Zealand dollar) 17% FTSE Emerging Markets All Cap China A Inclusion Index (converted to the New Zealand dollar)



	Listed property	7.5%	0% - 20%	25% S&P/NZX Real Estate Select Index 25% S&P/ASX 200 A-REIT Equal Weight Index (75% hedged to the New Zealand dollar) 50% FTSE EPRA/NAREIT developed ex Australia rental index (75% hedged to the New Zealand dollar)
	Total	60%	40% - 80%	

Permitted investments

The fund may invest in the following assets:

- the sector and ETF funds; and
- cash and cash equivalents.

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments (and managed investment schemes that primarily invest in cash and cash equivalents).

Hedging

The fund's foreign currency exposure is not hedged, but the fund may invest in other funds which foreign currency exposure is hedged.

Rebalancing

The fund is rebalanced in accordance with Smartshares' rebalancing policy.

Other

The fund can borrow up to 10% of the aggregate value of its investments, but only for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



Schedule 6 – SuperLife⁸⁰

Investment objective

Designed for investors that want a growth investment option.

Investment strategy

Purpose	Asset class	Target	Range	Market index
Income	Cash and cash equivalents	1%	0% - 20%	S&P/NZX Bank Bills 90-Day Index
	New Zealand fixed interest	6.5%	0% - 20%	S&P/NZX A-Grade Corporate Bond Index
	International fixed interest	12.5%	0% - 30%	50% Bloomberg Barclays Global Aggregate Index (100% hedged to the New Zealand dollar) 50% Bloomberg Barclays Global Aggregate Government-Related and Corporate Index (100% hedged to the New Zealand dollar)
	Total	20%	5% - 40%	
Growth	Australasian equities	20%	0% - 50%	70% S&P/NZX 50 Portfolio Index 30% S&P/ASX 200 Index (75% hedged to the New Zealand dollar)
	International equities	52.5%	0% - 60%	62% FTSE Developed All-Cap Index (100% hedged to the New Zealand dollar) 21% FTSE Developed All-Cap Index (converted to the New Zealand dollar) 17% FTSE Emerging Markets All Cap China A Inclusion Index (converted to the New Zealand dollar)



	Listed property	7.5%	0% - 25%	25% S&P/NZX Real Estate Select Index 25% S&P/ASX 200 A-REIT Equal Weight Index (75% hedged to the New Zealand dollar) 50% FTSE EPRA/NAREIT developed ex Australia rental index (75% hedged to the New Zealand dollar)
	Total	80%	60% - 95%	

Permitted investments

The fund may invest in the following assets:

- the sector and ETF funds; and
- cash and cash equivalents.

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments (and managed investment schemes that primarily invest in cash and cash equivalents).

Hedging

The fund's foreign currency exposure is not hedged, but the fund may invest in other funds which foreign currency exposure is hedged.

Rebalancing

The fund is rebalanced in accordance with Smartshares' rebalancing policy.

Other

The fund can borrow up to 10% of the aggregate value of its investments, but only for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



Schedule 7 – SuperLife¹⁰⁰

Investment objective

Designed for investors that want an aggressive investment option that invests in shares and property.

Investment strategy

Purpose	Asset class	Target	Range	Market index
Income	Cash and cash equivalents	1%	0% - 20%	S&P/NZX Bank Bills 90-Day Index
	Total	1%	0% - 20%	
Growth	Australasian equities	25.5%	0% - 60%	70% S&P/NZX 50 Portfolio Index 30% S&P/ASX 200 Index (75% hedged to the New Zealand dollar)
	International equities	66%	0% - 80%	62% FTSE Developed All-Cap Index (100% hedged to the New Zealand dollar) 21% FTSE Developed All-Cap Index (converted to the New Zealand dollar) 17% FTSE Emerging Markets All Cap China A Inclusion Index (converted to the New Zealand dollar)
	Listed property	7.5%	0% - 25%	25% S&P/NZX Real Estate Select Index 25% S&P/ASX 200 A-REIT Equal Weight Index (75% hedged to the New Zealand dollar) 50% FTSE EPRA/NAREIT developed ex Australia rental index (75% hedged to the New Zealand dollar)
	Total	99%	80% - 100%	



Permitted investments

The fund may invest in the following assets:

- the sector and ETF funds; and
- cash and cash equivalents.

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments (and managed investment schemes that primarily invest in cash and cash equivalents).

Hedging

The fund's foreign currency exposure is not hedged, but the fund may invest in other funds which foreign currency exposure is hedged.

Rebalancing

The fund is rebalanced in accordance with Smartshares' rebalancing policy.

Other

The fund can borrow up to 10% of the aggregate value of its investments, but only for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



Sector funds

Schedule 8 – NZ Cash Fund

Investment objective

Designed for investors that want a defensive investment option that provides a return (after tax, fees and other expenses) that reflects the after-tax return on the New Zealand cash market.

Investment strategy

Asset class	Target	Range	Market index
Cash and cash equivalents	100%	100%	S&P/NZX Bank Bills 90-Day Index
Total	100%	100%	

Permitted investments

The fund may invest in the following assets:

- any fund in the Smartshares Exchange Traded Funds that primarily invests in cash and cash equivalents;
- any managed investment scheme that primarily invests in cash and cash equivalents; and
- cash and cash equivalents.

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments (and managed investment schemes that primarily invest in cash and cash equivalents).

Other

The fund can borrow up to 10% of the aggregate value of its investments, but only for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



Schedule 9 – NZ Bonds Fund

Investment objective

To provide a return (after tax, fees and other expenses) that reflects the after-tax return on the New Zealand bond market.

Investment strategy

Asset class	Target	Range	Market index
Cash and cash equivalents	1%	0% - 20%	S&P/NZX A-Grade Corporate Bond Index
New Zealand fixed interest	99%	80% - 100%	
Total	100%	100%	

Permitted investments

The fund may invest in the following assets:

- any fund in the Smartshares Exchange Traded Funds that primarily invests in New Zealand fixed interest;
- any managed investment scheme that primarily invests in New Zealand fixed interest; and
- cash and cash equivalents.

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments (and managed investment schemes that primarily invest in cash and cash equivalents).

Other

The fund can borrow up to 10% of the aggregate value of its investments, but only for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



Schedule 10 – Overseas Bonds Fund

Investment objective

To provide a return (after tax, fees and other expenses) that reflects the after-tax return on international bond markets of developed economies. The fund is not hedged against the NZ dollar.

Investment strategy

Asset class	Target	Range	Market index
Cash and cash equivalents	1%	0% - 20%	Bloomberg Barclays Global Aggregate Index (100% hedged to the New Zealand dollar)
International fixed interest	99%	80% - 100%	
Total	100%	100%	

Permitted investments

The fund may invest in the following assets:

- any fund in the Smartshares Exchange Traded Funds that primarily invests in international fixed interest;
- any managed investment scheme that primarily invests in international fixed interest; and
- cash and cash equivalents.

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments (and managed investment schemes that primarily invest in cash and cash equivalents).

Hedging

The fund's foreign currency exposure is not hedged, but the fund may invest in other funds which foreign currency exposure is hedged.

Other

The fund can borrow up to 10% of the aggregate value of its investments, but only for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



Schedule 11 – Overseas Non-government Bonds Fund

Investment objective

To provide a return (after tax, fees and other expenses) that reflects the after-tax return on international non-government bond markets of developed economies.

Investment strategy

Asset class	Target	Range	Market index
Cash and cash equivalents	1%	0% - 20%	Bloomberg Barclays Global Aggregate Government-Related and Corporate Index (100% hedged to the New Zealand dollar)
International fixed interest	99%	80% - 100%	
Total	100%	100%	

Permitted investments

The fund may invest in the following assets:

- any fund in the Smartshares Exchange Traded Funds that primarily invests in international fixed interest;
- any managed investment scheme that primarily invests in international fixed interest; and
- cash and cash equivalents.

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments (and managed investment schemes that primarily invest in cash and cash equivalents).

Hedging

The fund's foreign currency exposure is hedged to the New Zealand dollar, and hedging levels will vary between 90% and 110%.

Other

The fund can borrow up to 10% of the aggregate value of its investments, but only for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



Schedule 12 – Property Fund

Investment objective

To provide a return (after tax, fees and other expenses) that reflects the after-tax return on New Zealand and international property markets.

Investment strategy

Asset class	Target	Range	Market index
Cash and cash equivalents	1%	0% - 20%	25% S&P/NZX Real Estate Select Index
Listed property	99%	80% - 100%	25% S&P/ASX 200 A-REIT Equal Weight Index (75% hedged to the New Zealand dollar)
Total	100%	100%	50% FTSE EPRA/NAREIT developed ex Australia rental index (75% hedged to the New Zealand dollar)

Permitted investments

The fund may invest in the following assets:

- any fund in the Smartshares Exchange Traded Funds that primarily invests in listed property;
- any managed investment scheme that primarily invests in listed property; and
- cash and cash equivalents.

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments (and managed investment schemes that primarily invest in cash and cash equivalents).

Hedging

The fund's foreign currency exposure may be hedged to the New Zealand dollar, and hedging levels will vary between 0% and 110%.

Other

The fund can borrow up to 10% of the aggregate value of its investments, but only for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



Schedule 13 – NZ Shares Fund

Investment objective

To provide a return (after tax, fees and other expenses) that reflects the after-tax return on the New Zealand share market.

Investment strategy

Asset class	Target	Range	Market index
Cash and cash equivalents	1%	0% - 20%	S&P/NZX 50 Portfolio Index
Australasian equities	99%	80% - 100%	
Total	100%	100%	

Permitted investments

The fund may invest in the following assets:

- financial products quoted on NZX;
- any fund in the Smartshares Exchange Traded Funds that primarily invests in Australasian equities;
- any managed investment scheme that primarily invests in Australasian equities; and
- cash and cash equivalents.

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments (and managed investment schemes that primarily invest in cash and cash equivalents).

The fund may also invest in other assets (which are not set out above) that Smartshares considers appropriately reflect the risk profile of the fund and will contribute to the investment objectives of the fund.

Investment restrictions

The fund may not directly invest in ordinary shares issued by NZX Limited. However, the fund may invest in managed investment schemes that invest in ordinary shares issued by NZX Limited.

Other

The fund can borrow up to 10% of the aggregate value of its investments, but only for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



Schedule 14 – Australian Shares Fund

Investment objective

To provide a return (after tax, fees and other expenses) that reflects the after-tax return on the Australian share market.

Investment strategy

Asset class	Target	Range	Market index
Cash and cash equivalents	1%	0% - 20%	S&P/ASX 200 Index (75% hedged to the New Zealand dollar)
Australasian equities	99%	80% - 100%	
Total	98%	100%	

Permitted investments

The fund may invest in the following assets:

- financial products quoted on the Australian Securities Exchange;
- any fund in the Smartshares Exchange Traded Funds that primarily invests in Australasian equities;
- any managed investment scheme that primarily invests in Australasian equities; and
- cash and cash equivalents.

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments (and managed investment schemes that primarily invest in cash and cash equivalents).

Hedging

The fund's foreign currency exposure may be hedged to the New Zealand dollar, and hedging levels will vary between 0% and 110%.

Other

The fund can borrow up to 10% of the aggregate value of its investments, but only for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



Schedule 15 – Overseas Shares (Currency Hedged) Fund

Investment objective

To provide a return (after tax, fees and other expenses) that reflects the after-tax return on international share markets of developed economies. The fund is hedged against the NZ dollar.

Investment strategy

Asset class	Target	Range	Market index
Cash and cash equivalents	1%	0% - 20%	FTSE Developed All-Cap Index (100% hedged to the New Zealand dollar)
International equities	99%	80% - 100%	
Total	100%	100%	

Permitted investments

The fund may invest in the following assets:

- any fund in the Smartshares Exchange Traded Funds that primarily invests in international equities;
- any managed investment scheme that primarily invests in international equities; and
- cash and cash equivalents.

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments (and managed investment schemes that primarily invest in cash and cash equivalents).

Hedging

The fund's foreign currency exposure is hedged to the New Zealand dollar, and hedging levels will vary between 90% and 110%.

Other

The fund can borrow up to 10% of the aggregate value of its investments, but only for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



Schedule 16 – Overseas Shares Fund

Investment objective

To provide a return (after tax, fees and other expenses) that reflects the after-tax return on the international share markets of developed economies. The fund is not hedged against the NZ dollar.

Investment strategy

Asset class	Target	Range	Market index
Cash and cash equivalents	1%	0% - 20%	FTSE Developed All-Cap Index (converted to the New Zealand dollar)
International equities	99%	80% - 100%	
Total	100%	100%	

Permitted investments

The fund may invest in the following assets:

- any fund in the Smartshares Exchange Traded Funds that primarily invests in international equities;
- any managed investment scheme that primarily invests in international equities; and
- cash and cash equivalents.

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments (and managed investment schemes that primarily invest in cash and cash equivalents).

Hedging

The fund's foreign currency exposure is not hedged.

Other

The fund can borrow up to 10% of the aggregate value of its investments, but only for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



Schedule 17 – Emerging Markets Fund

Investment objective

To provide a return (after tax, fees and other expenses) that reflects the after-tax return on international share markets of emerging economies.

Investment strategy

Asset class	Target	Range	Market index
Cash and cash equivalents	1%	0% - 20%	FTSE Emerging Markets All Cap China A Inclusion Index (converted to the New Zealand dollar)
International equities	99%	80% - 100%	
Total	100%	100%	

Permitted investments

The fund may invest in the following assets:

- any fund in the Smartshares Exchange Traded Funds that primarily invests in international equities;
- any managed investment scheme that primarily invests in international equities; and
- cash and cash equivalents.

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments (and managed investment schemes that primarily invest in cash and cash equivalents).

Hedging

The fund's foreign currency exposure may be hedged to the New Zealand dollar, and hedging levels will vary between 0% and 110%.

Other

The fund can borrow up to 10% of the aggregate value of its investments, but only for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



Schedule 18 – UK Cash Fund

Investment objective

Designed to provide a return (after tax, fees and other expenses) that reflects the after-tax return on the UK cash market. The fund is not hedged against the NZ dollar.

Investment strategy

Asset class	Target	Range	Market index
Cash and cash equivalents	100%	100%	3-month UK treasury bill rate (converted to the New Zealand dollar)
Total	100%	100%	

Permitted investments

The fund may invest in the following assets:

- any managed investment scheme that primarily invests in cash and cash equivalents denominated in UK pounds; and
- cash and cash equivalent denominated in UK pounds.

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments (and managed investment schemes that primarily invest in cash and cash equivalents).

Hedging

The fund's foreign currency exposure is not hedged.

Other

The fund can borrow up to 10% of the aggregate value of its investments, but only for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



ETF funds

Schedule 19 – NZ Cash ETF Fund

Investment objective

To invest in the Smartshares Exchange Traded Funds' NZ Cash Fund.

Investment strategy and permitted investments

Asset class	Permitted investments	Target	Range	Market index
Cash and cash equivalents	Smartshares Exchange Traded Funds' NZ Cash Fund and other cash and cash investments	100%	100%	S&P/NZX Bank Bills 90-Day Index
Total		100%	100%	

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments (and managed investment schemes that primarily invest in cash and cash equivalents).

Other

The fund can borrow up to 10% of the aggregate value of its investments, but only for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



Schedule 20 – NZ Bond ETF Fund

Investment objective

To invest in the Smartshares Exchange Traded Funds' NZ Bond Fund.

Investment strategy and permitted investments

Asset class	Permitted investments	Target	Range	Market index
Cash and cash equivalents	Cash and cash equivalents	1%	0% - 10%	S&P/NZX A-Grade Corporate Bond Index
New Zealand fixed interest	Smartshares Exchange Traded Funds' NZ Bond Fund	99%	90% - 100%	
Total		100%	100%	

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments (and managed investment schemes that primarily invest in cash and cash equivalents).

Other

The fund can borrow up to 10% of the aggregate value of its investments, but only for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



Schedule 21 – Global Bond ETF Fund

Investment objective

To invest in the Smartshares Exchange Traded Funds' Global Bond Fund.

Investment strategy and permitted investments

Asset class	Permitted investments	Target	Range	Market index
Cash and cash equivalents	Cash and cash equivalents	1%	0% - 10%	Bloomberg Barclays Global Aggregate Index (100% hedged to the New Zealand dollar)
International fixed interest ²	Smartshares Exchange Traded Funds' Global Bond Fund	99%	90% - 100%	
Total		100%	100%	

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments (and managed investment schemes that primarily invest in cash and cash equivalents).

Other

The fund can borrow up to 10% of the aggregate value of its investments, but only for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).

Hedging

The fund's foreign currency exposure is not hedged, but the fund invests in the Smartshares Exchange Traded Funds' Global Bond Fund which foreign currency exposure is hedged to the New Zealand dollar, and hedging levels will vary between 95% and 105%.

² The Smartshares Exchange Traded Funds' Global Bond Fund may invest in New Zealand fixed interest. This is included in the Global Bond ETF Fund's asset allocation to international fixed interest.



Schedule 22 – NZ Dividend ETF Fund

Investment objective

To invest in the Smartshares Exchange Traded Funds' NZ Dividend Fund.

Investment strategy and permitted investments

Asset class	Permitted investments	Target	Range	Market index
Cash and cash equivalents	Cash and cash equivalents	1%	0% - 10%	S&P/NZX 50 High Dividend Index
Australasian equities ³	Smartshares Exchange Traded Funds' NZ Dividend Fund	99%	90% - 100%	
Total		100%	100%	

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments (and managed investment schemes that primarily invest in cash and cash equivalents).

Other

The fund can borrow up to 10% of the aggregate value of its investments, but only for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).

³ The Smartshares Exchange Traded Funds' NZ Dividend Fund will invest in listed property trusts included in the S&P/NZX 50 High Dividend Index. This is included in the NZ Dividend ETF Fund's asset allocation to Australasian equities.



Schedule 23 – NZ Top 50 ETF Fund

Investment objective

To invest in the Smartshares Exchange Traded Funds' NZ Top 50 Fund.

Investment strategy and permitted investments

Asset class	Permitted investments	Target	Range	Market index
Cash and cash equivalents	Cash and cash equivalents	1%	0% - 10%	S&P/NZX 50 Portfolio Index
Australasian equities ⁴	Smartshares Exchange Traded Funds' NZ Top 50 Fund	99%	90% - 100%	
Total		100%	100%	

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments (and managed investment schemes that primarily invest in cash and cash equivalents).

Other

The fund can borrow up to 10% of the aggregate value of its investments, but only for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).

⁴ The Smartshares Exchange Traded Funds' NZ Top 50 Fund will invest in listed property trusts included in the S&P/NZX 50 Portfolio Index. This is included in the NZ Top 50 ETF Fund's asset allocation to Australasian equities.



Schedule 24 – NZ Top 10 ETF Fund

Investment objective

To invest in the Smartshares Exchange Traded Funds' NZ Top 10 Fund.

Investment strategy and permitted investments

Asset class	Permitted investments	Target	Range	Market index
Cash and cash equivalents	Cash and cash equivalents	1%	0% - 10%	S&P/NZX 10 Index
Australasian equities ⁵	Smartshares Exchange Traded Funds' NZ Top 10 Fund	99%	90% - 100%	
Total		100%	100%	

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments (and managed investment schemes that primarily invest in cash and cash equivalents).

Other

The fund can borrow up to 10% of the aggregate value of its investments, but only for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).

⁵ The Smartshares Exchange Traded Funds' NZ Top 10 Fund will invest in listed property trusts included in the S&P/NZX 10 Index. This is included in the NZ Top 10 ETF Fund's asset allocation to Australasian equities.



Schedule 25 – NZ Mid Cap ETF Fund

Investment objective

To invest in the Smartshares Exchange Traded Funds' NZ Mid Cap Fund.

Investment strategy and permitted investments

Asset class	Permitted investments	Target	Range	Market index
Cash and cash equivalents	Cash and cash equivalents	1%	0% - 10%	S&P/NZX Mid Cap Index
Australasian equities ⁶	Smartshares Exchange Traded Funds' NZ Mid Cap Fund	99%	90% - 100%	
Total		100%	100%	

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments (and managed investment schemes that primarily invest in cash and cash equivalents).

Other

The fund can borrow up to 10% of the aggregate value of its investments, but only for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).

⁶ The Smartshares Exchange Traded Funds' NZ Mid Cap Fund will invest in listed property trusts included in the S&P/NZX Mid Cap Index. This is included in the NZ Mid Cap ETF Fund's asset allocation to Australasian equities.



Schedule 26 – NZ Property ETF Fund

Investment objective

To invest in the Smartshares Exchange Traded Funds' NZ Property Fund.

Investment strategy and permitted investments

Asset class	Permitted investments	Target	Range	Market index
Cash and cash equivalents	Cash and cash equivalents	1%	0% - 10%	S&P/NZX Real Estate Select Index
Listed property	Smartshares Exchange Traded Funds' NZ Property Fund	99%	90% - 100%	
Total		100%	100%	

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments (and managed investment schemes that primarily invest in cash and cash equivalents).

Other

The fund can borrow up to 10% of the aggregate value of its investments, but only for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



Schedule 27 – Australian Top 20 ETF Fund

Investment objective

To invest in the Smartshares Exchange Traded Funds' Australian Top 20 Fund.

Investment strategy and permitted investments

Asset class	Permitted investments	Target	Range	Market index
Cash and cash equivalents	Cash and cash equivalents	1%	0% - 10%	S&P/ASX 20 Index (converted to the New Zealand dollar)
Australasian equities ⁷	Smartshares Exchange Traded Funds' Australian Top 20 Fund	99%	90% - 100%	
Total		100%	100%	

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments (and managed investment schemes that primarily invest in cash and cash equivalents).

Hedging

The fund's foreign currency exposure is not hedged.

Other

The fund can borrow up to 10% of the aggregate value of its investments, but only for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).

⁷ The Smartshares Exchange Traded Funds' Australian Top 20 Fund will invest in listed property trusts included in the S&P/ASX 20 Index. This is included in the NZ Top 20 ETF Fund's asset allocation to Australasian equities.



Schedule 28 – Australian Dividend ETF Fund

Investment objective

To invest in the Smartshares Exchange Traded Funds' Australian Dividend Fund.

Investment strategy and permitted investments

Asset class	Permitted investments	Target	Range	Market index
Cash and cash equivalents	Cash and cash equivalents	1%	0% - 10%	S&P/ASX Dividend Opportunities Index (converted to the New Zealand dollar)
Australasian equities ⁸	Smartshares Exchange Traded Funds' Australian Dividend Fund	99%	90% - 100%	
Total		100%	100%	

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments (and managed investment schemes that primarily invest in cash and cash equivalents).

Hedging

The fund's foreign currency exposure is not hedged.

Other

The fund can borrow up to 10% of the aggregate value of its investments, but only for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).

⁸ The Smartshares Exchange Traded Funds' Australian Dividend Fund will invest in listed property trusts included in the S&P/ASX Dividend Opportunities Index. This is included in the Australian Dividend ETF Fund's asset allocation to Australasian equities.



Schedule 29 – Australian Financials ETF Fund

Investment objective

To invest in the Smartshares Exchange Traded Funds' Australian Financials Fund.

Investment strategy and permitted investments

Asset class	Permitted investments	Target	Range	Market index
Cash and cash equivalents	Cash and cash equivalents	1%	0% - 10%	S&P/ASX 200 Financials Ex-A-REIT Index (converted to the New Zealand dollar)
Australasian equities	Smartshares Exchange Traded Funds' Australian Financials Fund	99%	90% - 100%	
Total		100%	100%	

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments (and managed investment schemes that primarily invest in cash and cash equivalents).

Hedging

The fund's foreign currency exposure is not hedged.

Other

The fund can borrow up to 10% of the aggregate value of its investments, but only for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



Schedule 30 – Australian Property ETF Fund

Investment objective

To invest in the Smartshares Exchange Traded Funds' Australian Property Fund.

Investment strategy and permitted investments

Asset class	Permitted investments	Target	Range	Market index
Cash and cash equivalents	Cash and cash equivalents	1%	0% - 10%	S&P/ASX 200 A-REIT Equal Weight Index (converted to the New Zealand dollar)
Listed property	Smartshares Exchange Traded Funds' Australian Property Fund	99%	90% - 100%	
Total		100%	100%	

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments (and managed investment schemes that primarily invest in cash and cash equivalents).

Hedging

The fund's foreign currency exposure is not hedged.

Other

The fund can borrow up to 10% of the aggregate value of its investments, but only for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



Schedule 31 – Australian Resources ETF Fund

Investment objective

To invest in the Smartshares Exchange Traded Funds' Australian Resources Fund.

Investment strategy and permitted investments

Asset class	Permitted investments	Target	Range	Market index
Cash and cash equivalents	Cash and cash equivalents	1%	0% - 10%	S&P/ASX 200 Resources Index (converted to the New Zealand dollar)
Australasian equities	Smartshares Exchange Traded Funds' Australian Resources Fund	99%	90% - 100%	
Total		100%	100%	

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments (and managed investment schemes that primarily invest in cash and cash equivalents).

Hedging

The fund's foreign currency exposure is not hedged.

Other

The fund can borrow up to 10% of the aggregate value of its investments, but only for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



Schedule 32 – Australian Mid Cap ETF Fund

Investment objective

To invest in the Smartshares Exchange Traded Funds' Australian Mid Cap Fund.

Investment strategy and permitted investments

Asset class	Permitted investments	Target	Range	Market index
Cash and cash equivalents	Cash and cash equivalents	1%	0% - 10%	S&P/ASX Mid Cap 50 Index (converted to the New Zealand dollar)
Australasian equities ⁹	Smartshares Exchange Traded Funds' Australian Mid Cap Fund	99%	90% - 100%	
Total		100%	100%	

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments (and managed investment schemes that primarily invest in cash and cash equivalents).

Hedging

The fund's foreign currency exposure is not hedged.

Other

The fund can borrow up to 10% of the aggregate value of its investments, but only for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).

⁹ The Smartshares Exchange Traded Funds' Australian Mid Cap Fund will invest in listed property trusts included in the S&P/ASX Mid Cap 50 Index. This is included in the Australian Mid Cap ETF Fund's asset allocation to Australasian equities.



Schedule 33 – Total World ETF Fund

Investment objective

To invest in the Smartshares Exchange Traded Funds' Total World Fund.

Investment strategy and permitted investments

Asset class	Permitted investments	Target	Range	Market index
Cash and cash equivalents	Cash and cash equivalents	1%	0% - 10%	FTSE Global All Cap Index (converted to the New Zealand dollar)
International equities ¹⁰	Smartshares Exchange Traded Funds' Total World Fund (which invests in the Vanguard Total World Stock ETF)	99%	90% - 100%	
Total		100%	100%	

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments (and managed investment schemes that primarily invest in cash and cash equivalents).

Hedging

The fund's foreign currency exposure is not hedged.

Other

The fund can borrow up to 10% of the aggregate value of its investments, but only for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).

¹⁰ The Vanguard Total World Stock ETF will invest in Australasian equities and listed property trusts included in the FTSE Global All Cap Index. This is included in the Total World ETF Fund's asset allocation to international equities.



Schedule 34 – US 500 ETF Fund

Investment objective

To invest in the Smartshares Exchange Traded Funds' US 500 Fund.

Investment strategy and permitted investments

Asset class	Permitted investments	Target	Range	Market index
Cash and cash equivalents	Cash and cash equivalents	1%	0% - 10%	S&P 500 Index (converted to the New Zealand dollar)
International equities ¹¹	Smartshares Exchange Traded Funds' US 500 Fund (which invests in the Vanguard S&P 500 ETF)	99%	90% - 100%	
Total		100%	100%	

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments (and managed investment schemes that primarily invest in cash and cash equivalents).

Hedging

The fund's foreign currency exposure is not hedged.

Other

The fund can borrow up to 10% of the aggregate value of its investments, but only for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).

¹¹ The Vanguard S&P 500 ETF will invest in listed property trusts included in the S&P 500 Index. This is included in the US 500 ETF Fund's asset allocation to international equities.



Schedule 35 – Europe ETF Fund

Investment objective

To invest in the Smartshares Exchange Traded Funds' Europe Fund.

Investment strategy and permitted investments

Asset class	Permitted investments	Target	Range	Market index
Cash and cash equivalents	Cash and cash equivalents	1%	0% - 10%	FTSE Developed Europe All Cap Index (converted to the New Zealand dollar)
International equities ¹²	Smartshares Exchange Traded Funds' Europe Fund (which invests in the Vanguard FTSE Europe ETF)	99%	90% - 100%	
Total		100%	100%	

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments (and managed investment schemes that primarily invest in cash and cash equivalents).

Hedging

The fund's foreign currency exposure is not hedged.

Other

The fund can borrow up to 10% of the aggregate value of its investments, but only for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).

¹² The Vanguard FTSE Europe ETF will invest in listed property trusts included in the FTSE Developed Europe All Cap Index. This is included in the Europe ETF Fund's asset allocation to international equities.



Schedule 36 – Asia Pacific ETF Fund

Investment objective

To invest in the Smartshares Exchange Traded Funds' Asia Pacific Fund.

Investment strategy and permitted investments

Asset class	Permitted investments	Target	Range	Market index
Cash and cash equivalents	Cash and cash equivalents	1%	0% - 10%	FTSE Developed Asia Pacific All Cap Index (converted to the New Zealand dollar)
International equities ¹³	Smartshares Exchange Traded Funds' Asia Pacific Fund (which invests in the Vanguard FTSE Pacific ETF)	99%	90% - 100%	
Total		100%	100%	

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments (and managed investment schemes that primarily invest in cash and cash equivalents).

Hedging

The fund's foreign currency exposure is not hedged.

Other

The fund can borrow up to 10% of the aggregate value of its investments, but only for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).

¹³ The Vanguard FTSE Pacific ETF will invest in Australasian equities and listed property trusts included in the FTSE Developed Asia Pacific All Cap Index. This is included in the Asia Pacific ETF Fund's asset allocation to international equities.



Schedule 37 – US Large Growth ETF Fund

Investment objective

To invest in the Smartshares Exchange Traded Funds' US Large Growth Fund.

Investment strategy and permitted investments

Asset class	Permitted investments	Target	Range	Market index
Cash and cash equivalents	Cash and cash equivalents	1%	0% - 10%	CRSP US Large Cap Growth Index (converted to the New Zealand dollar)
International equities ¹⁴	Smartshares Exchange Traded Funds' US Large Growth Fund (which invests in the Vanguard Growth ETF)	99%	90% - 100%	
Total		100%	100%	

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments (and managed investment schemes that primarily invest in cash and cash equivalents).

Hedging

The fund's foreign currency exposure is not hedged.

Other

The fund can borrow up to 10% of the aggregate value of its investments, but only for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).

¹⁴ The Vanguard Growth ETF will invest in listed property trusts included in the CRSP US Large Cap Growth Index. This is included in the US Large Growth ETF Fund's asset allocation to international equities.



Schedule 38 – US Large Value ETF Fund

Investment objective

To invest in the Smartshares Exchange Traded Funds' US Large Value Fund.

Investment strategy and permitted investments

Asset class	Permitted investments	Target	Range	Market index
Cash and cash equivalents	Cash and cash equivalents	1%	0% - 10%	CRSP US Large Cap Value Index (converted to the New Zealand dollar)
International equities ¹⁵	Smartshares Exchange Traded Funds' US Large Value Fund (which invests in the Vanguard Value ETF)	99%	90% - 100%	
Total		100%	100%	

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments (and managed investment schemes that primarily invest in cash and cash equivalents).

Hedging

The fund's foreign currency exposure is not hedged.

Other

The fund can borrow up to 10% of the aggregate value of its investments, but only for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).

¹⁵ The Vanguard Value ETF will invest in listed property trusts included in the CRSP US Large Cap Value Index. This is included in the US Large Value ETF Fund's asset allocation to international equities.



Schedule 39 – US Mid Cap ETF Fund

Investment objective

To invest in the Smartshares Exchange Traded Funds' US Mid Cap Fund.

Investment strategy and permitted investments

Asset class	Permitted investments	Target	Range	Market index
Cash and cash equivalents	Cash and cash equivalents	1%	0% - 10%	CRSP US Mid Cap Index (converted to the New Zealand dollar)
International equities ¹⁶	Smartshares Exchange Traded Funds' US Mid Cap Fund (which invests in the Vanguard Mid Cap ETF)	99%	90% - 100%	
Total		100%	100%	

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments (and managed investment schemes that primarily invest in cash and cash equivalents).

Hedging

The fund's foreign currency exposure is not hedged.

Other

The fund can borrow up to 10% of the aggregate value of its investments, but only for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).

¹⁶ The Vanguard Mid Cap ETF will invest in listed property trusts included in the CRSP US Mid Cap Index. This is included in the US Mid Cap ETF Fund's asset allocation to international equities.



Schedule 40 – US Small Cap ETF Fund

Investment objective

To invest in the Smartshares Exchange Traded Funds' US Small Cap Fund.

Investment strategy and permitted investments

Asset class	Permitted investments	Target	Range	Market index
Cash and cash equivalents	Cash and cash equivalents	1%	0% - 10%	CRSP US Small Cap Index (converted to the New Zealand dollar)
International equities ¹⁷	Smartshares Exchange Traded Funds' US Small Cap Fund (which invests in the Vanguard Small Cap ETF)	99%	90% - 100%	
Total		100%	100%	

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments (and managed investment schemes that primarily invest in cash and cash equivalents).

Hedging

The fund's foreign currency exposure is not hedged.

Other

The fund can borrow up to 10% of the aggregate value of its investments, but only for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).

¹⁷ The Vanguard Small Cap ETF will invest in listed property trusts included in the CRSP US Small Cap Index. This is included in the US Small Cap ETF Fund's asset allocation to international equities.



Schedule 41 – Emerging Markets ETF Fund

Investment objective

To invest in the Smartshares Exchange Traded Funds' Emerging Markets Fund.

Investment strategy and permitted investments

Asset class	Permitted investments	Target	Range	Market index
Cash and cash equivalents	Cash and cash equivalents	1%	0% - 10%	FTSE Emerging Markets All Cap China A Inclusion Index (converted to the New Zealand dollar)
International equities ¹⁸	Smartshares Exchange Traded Funds' Emerging Markets Fund (which invests in the Vanguard FTSE Emerging Markets ETF)	99%	90% - 100%	
Total		100%	100%	

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments (and managed investment schemes that primarily invest in cash and cash equivalents).

Hedging

The fund's foreign currency exposure is not hedged.

Other

The fund can borrow up to 10% of the aggregate value of its investments, but only for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).

¹⁸ The Vanguard FTSE Emerging Markets ETF will invest in listed property trusts included in the FTSE Emerging Markets All Cap China A Inclusion Index. This is included in the Emerging Markets ETF Fund's asset allocation to international equities.