

## Fund Update

### SuperLife KiwiSaver scheme

### NZ Top 10 ETF Fund

For the quarter ended 31 December 2016

This fund update was first made publicly available on 13 February 2017.

### What is the purpose of this update?

This document tells you how the NZ Top 10 ETF Fund has performed and what fees were charged. The document will help you to compare the fund with other funds. Smartshares Limited prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

### Description of this fund

The NZ Top 10 ETF Fund invests in the Smartshares Exchange Traded Funds' NZ Top 10 Fund.

Total value of the fund:	\$337,291
Number of investors in the fund:	66
The date the fund started:	21 September 2015

### What are the risks of investing?

#### Risk indicator for the NZ Top 10 ETF Fund <sup>1</sup>

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 fund's assets goes up and down. A higher risk generally means higher potential returns over time, but more ups and downs along the way.

To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at <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 fund'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 fund updates.

### Other specific risks

There are other risks that may increase the risk to returns for investors, which are not reflected in the risk indicator. These risks include underlying fund tracking risk. In particular, the fund invests in an exchange traded fund, which is designed to track the return on a specific index. Tracking difference may occur when the weighting of each of the financial products included in the index changes, and the fund that tracks the index is not able to exactly match that change. There is a risk that this may result in the fund achieving a return that is lower than the index being tracked by the fund.

See the “Other Information – Risks” document on the offer register at [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose) for further information.

### How has the fund performed?

	Past year
<b>Annual return</b> (after deductions for charges and tax)	13.74%
<b>Annual return</b> (after deductions for charges but before tax)	17.16%
<b>Market index annual return</b> (reflects no deduction for charges and tax)	11.36%

The market index annual return is based on the annual return for the S&P/NZX 10 Index. Additional information about the market index is available on the offer register at [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose)

### What fees are investors charged?

Investors in the NZ Top 10 ETF Fund are charged fund charges. These are as follows:

	% per annum of fund’s net asset value
<b>Total fund charges (estimate)</b>	0.59%
Which are made up of:	
<b>Total management and administration charges (estimate)</b>	0.59%
Including:	
Manager’s basic fee	0.35%
Other management and administration charges (estimate)	0.24%
<b>Total performance-based fees</b>	0.00%
<b>Other charges</b>	Dollar amount per investor
Administration fee	\$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](http://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.

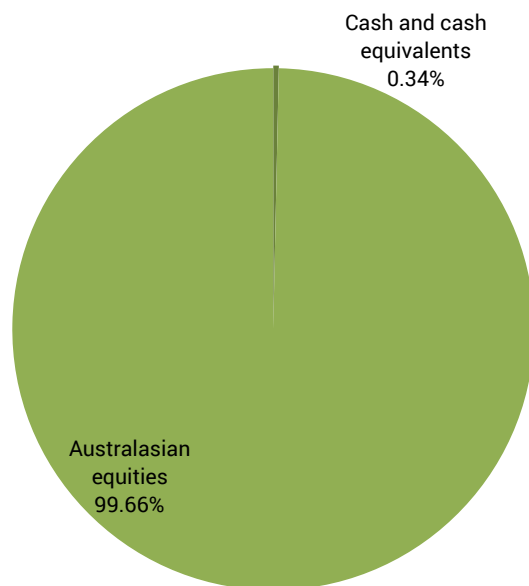
### Example of how this applies to an investor

Jess had \$10,000 in the fund 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 \$1,374 (that is 13.74% of her initial \$10,000). Jess paid other charges of \$33<sup>2</sup>. This gives Jess a total return after tax of \$1,341 for the year.

### What does the fund invest in?

#### Actual investment mix

This shows the types of assets that the fund invests in.



### Target investment mix

This shows the mix of assets that the fund generally intends to invest in.

Asset Category	Target asset mix
Cash and cash equivalents	-
New Zealand fixed interest	-
International fixed interest	-
Australasian equities	100.00%
International equities	-
Listed property	-
Unlisted property	-
Commodities	-
Other	-

### Top ten investments

Name	% of fund net assets	Type	Country	Credit rating (if applicable)
Fletcher Building Limited	17.18%	Australasian equities	New Zealand	
Spark New Zealand Limited	14.59%	Australasian equities	New Zealand	
Auckland International Airport Limited	13.55%	Australasian equities	New Zealand	
Fisher and Paykel Healthcare Corporation Limited	11.27%	Australasian equities	New Zealand	
Ryman Healthcare Limited	8.80%	Australasian equities	New Zealand	
Contact Energy Limited	7.79%	Australasian equities	New Zealand	
Meridian Energy Limited	7.31%	Australasian equities	New Zealand	
Z Energy	6.78%	Australasian equities	New Zealand	
Sky City Entertainment Group Limited	6.07%	Australasian equities	New Zealand	
Sky Network Television Limited	4.13%	Australasian equities	New Zealand	

The top 10 investments make up 97.48% of the fund.

### Currency hedging

Not applicable.

### 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 Product Disclosure Statement for the SuperLife KiwiSaver scheme, and some additional information, from the offer register at [www.business.govt.nz/disclose](http://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 3 years 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).