

SuperLife KiwiSaver scheme

Property Fund

Fund update for the quarter ended 31 December 2017

This fund update was first made publicly available on 26 January 2018.

What is the purpose of this update?

This document tells you how the Property 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 Property Fund is designed to provide a return (after tax, fees and other expenses) that reflects the after-tax return on New Zealand and international property markets.

Total value of the fund:	\$14,734,649
Number of investors in the fund:	2,777
The date the fund started:	24 October 2007

What are the risks of investing?

Risk indicator for the Property Fund



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 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 2017. 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 investment management risk. In particular, while the SuperLife KiwiSaver scheme's philosophy is that a passive approach to investing will deliver better long-term results, we make some active management decisions. There is a risk that this may result in the fund achieving a return that is lower than its investment objective.

See the 'Other Information' document on the offer register at www.business.govt.nz/disclose for further information about the risks of investing in the SuperLife KiwiSaver scheme.

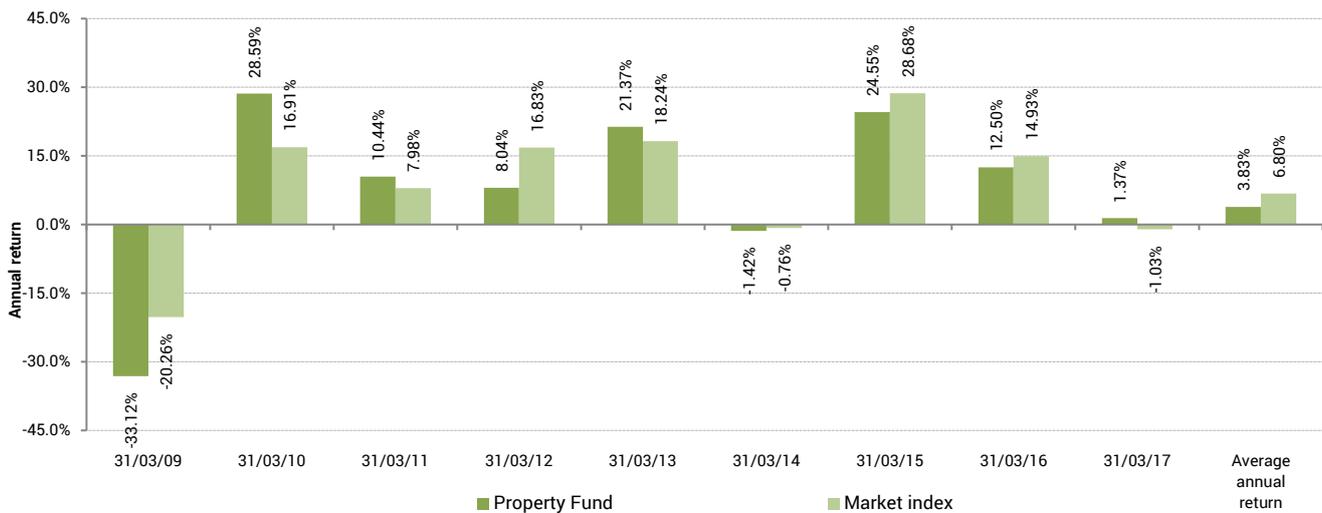
How has the fund performed?

	Average over past 5 years	Past year
Annual return (after deductions for charges and tax)	9.88%	14.03%
Annual return (after deductions for charges but before tax)	10.86%	15.10%
Market index annual return (reflects no deduction for charges and tax)	11.37%	12.79%

The market index annual return is based on the annual return of the S&P/NZX All Real Estate Index. Additional information about the market index is available in the 'Other Information' document on the offer register at www.business.govt.nz/disclose.



Annual return graph



This shows the return after fund charges and tax for each year ending 31 March since the fund started. The last bar shows the average annual return since the fund started, up to 31 December 2017.

Important: This does not tell you how the fund will perform in the future.

Returns in this update are after tax at the highest prescribed investor rate (PIR) of tax for an individual New Zealand resident. Your tax may be lower.

What fees are investors charged?

Investors in the Property Fund are charged fund charges. In the year to 31 March 2017 these were:

	% per annum of fund's net asset value
Total fund charges	0.59% ¹
Which are made up of:	
Total management and administration charges	0.59% ¹
Including:	
Manager's basic fee	0.38%
Other management and administration charges	0.21%
Total performance-based fees	0.00%
Other charges	Dollar amount per investor
Administration fee	\$32 per annum ²

Investors will not be charged individual action fees for specific actions or decisions. See the Product Disclosure Statement for the SuperLife KiwiSaver scheme for more information about the fees investors are charged.

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

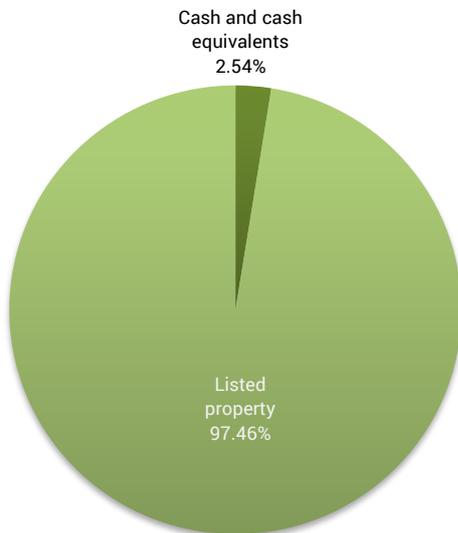
Jess had \$10,000 in the fund and did not make any further contributions. At the end of the year, Jess received a return after fund charges were deducted of \$1,403 (that is 14.03% of her initial \$10,000). Jess paid other charges of \$30. This gives Jess a total return after tax of \$1,373 for the year.



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	-
International equities	-
Listed property	100.00%
Unlisted property	-
Commodities	-
Other	-

Top ten investments

Name	% of fund's net asset value	Type	Country	Credit rating (if applicable)
Vanguard International Property Securities Index Fund Hedged	15.78%	Listed property	Australia	
Goodman Property Trust	7.20%	Listed property	New Zealand	
Precinct Properties New Zealand Ltd	6.94%	Listed property	New Zealand	
Kiwi Property Group Ltd	6.83%	Listed property	New Zealand	
Argosy Property Ltd	4.93%	Listed property	New Zealand	
Property for Industry Ltd	4.61%	Listed property	New Zealand	
Vital Healthcare Property Trust	3.97%	Listed property	New Zealand	
Stride Property Group	3.55%	Listed property	New Zealand	
Westfield Corp	2.33%	Listed property	Australia	
Viva Energy REIT	2.14%	Listed property	Australia	

The top 10 investments make up 58.28% of the fund's net asset value.



Currency hedging

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

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
Paul James Baldwin	Director	1 year	Head of NZX Wealth Technologies - NZX	1 year and 5 months
Michael John Chamberlain	Head of SuperLife Funds Management - NZX	2 years and 11 months	Director - SuperLife	18 years and 6 months
Guy Roulston Elliffe	Director	2 years and 1 month	Corporate Governance Manager - ACC	2 years and 8 months
Mark John Peterson (new)	Director	2 months	Chief Executive Officer - NZX	1 year
Alister John Williams	Director	2 years and 1 month	Investment Manager - Trust Management	2 years 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.

Notes

- 1 On 9 November 2016, the total management and administration charges changed to 0.58% per annum. As a result, the total fund charges will be different in the year to 31 March 2018.
- 2 On 9 November 2016, the administration fee changed to \$30 per annum. As a result, the amount set out in the fees table is made up of 4 months of \$2.50 per month (when the administration fee was \$30 per annum) and 8 months of \$2.75 per month (when the administration fee was \$33 per annum).