

SuperLife KiwiSaver scheme

SuperLife^{Age Steps} - Age 20

Investment update for the quarter ended 31 December 2017

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

What is the purpose of this update?

This document tells you how SuperLife^{Age Steps} - Age 20 has performed and what fees were charged. The document will help you to compare the stage 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 stage

SuperLife^{Age Steps} automatically sets the proportion of your investment in income and growth assets based on your age. As you get older, the proportion of your investment in more volatile assets will be reduced, lowering the expected size of the ups and downs in the value of your investment. This option may be suitable if you are saving for retirement (assumed to be age 65), and assumes you will continue to invest your savings and spend them over your retirement period.

Your SuperLife^{Age Steps} - Age 20 investment will be allocated 4% to SuperLife^{Income} and 96% to SuperLife¹⁰⁰ (which are managed funds this stage invests in).

Total value of SuperLife^{Age Steps} - Age 20: \$1,298,857
 Number of investors in SuperLife^{Age Steps} - Age 20: 380
 The date SuperLife^{Age Steps} started: 15 September 2013

What are the risks of investing?

Risk indicator for SuperLife^{Age Steps} - Age 20 ¹



The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the stage'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 stage'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 investment updates.

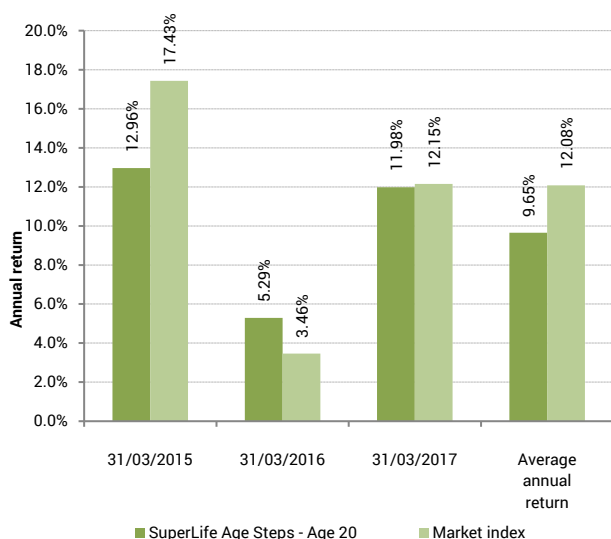
See the Product Disclosure Statement for the SuperLife KiwiSaver scheme for more information about the risks associated with investing in this stage.

How has the stage performed?

	Past year
Annual return (after deductions for charges and tax)	16.69%
Annual return (after deductions for charges but before tax)	17.42%
Market index annual return (reflects no deduction for charges and tax)	18.91%

The market index annual return is based on the weighted average annual return of the market indices used to measure the performance of the assets that the stage invests in. 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 stage started. The last bar shows the average annual return since the stage started, up to 31 December 2017.

Important: This does not tell you how the stage 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 SuperLife^{Age Steps} - Age 20 are charged fund charges. In the year to 31 March 2017 these were:

	% per annum of stage's net asset value
Total fund charges	0.67% ²
Which are made up of:	
Total management and administration charges	0.67% ²
Including:	
Manager's basic fee	0.40%
Other management and administration charges	0.27%
Total performance-based fees	0.00%
Other charges	Dollar amount per investor
Administration fee	\$32 per annum ³

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

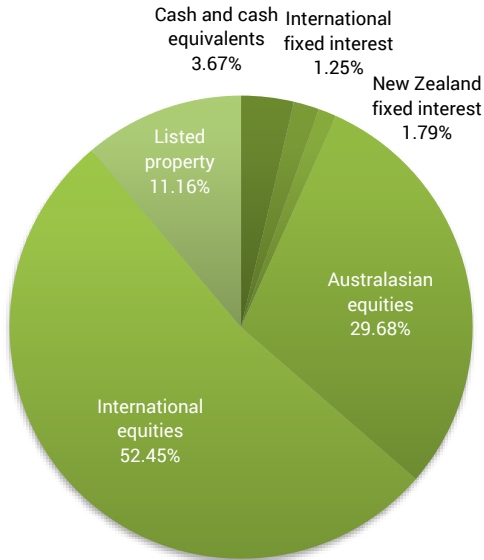
Jess had \$10,000 in the stage and did not make any further contributions. At the end of the year, Jess received a return after fund charges were deducted of \$1,669 (that is 16.69% of her initial \$10,000). Jess paid other charges of \$30. This gives Jess a total return after tax of \$1,639 for the year.



What does the stage invest in?

Actual investment mix

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



Target investment mix

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

Asset Category	Target asset mix
Cash and cash equivalents	-
New Zealand fixed interest	2.00%
International fixed interest	2.00%
Australasian equities	32.64%
International equities	51.84%
Listed property	11.52%
Unlisted property	-
Commodities	-
Other	-

Top ten investments

Name	% of stage's net asset value	Type	Country	Credit rating (if applicable)
Vanguard FTSE Europe ETF	15.46%	International equities	United States	
Vanguard S&P 500 ETF	8.20%	International equities	United States	
Vanguard FTSE Emerging Markets ETF	5.62%	International equities	United States	
Vanguard FTSE Pacific ETF	5.33%	International equities	United States	
Vanguard Value ETF	3.08%	International equities	United States	
Vanguard Growth ETF	3.05%	International equities	United States	
MI Somerset Emerging Markets Dividend Growth Fund OEIC	2.94%	International equities	United Kingdom	
Vanguard Mid-Cap ETF	2.35%	International equities	United States	
Vanguard Small-Cap ETF	2.29%	International equities	United States	
Vanguard Total World Stock ETF	2.24%	International equities	United States	

The top 10 investments make up 50.56% of the stage's net asset value.



Currency hedging

SuperLife^{Income}'s and SuperLife¹⁰⁰'s (which are funds this stage invests in) foreign currency exposure is not hedged, but these funds may invest in other funds which foreign currency exposure is hedged.

Key personnel

This shows the directors and employees who have the most influence on the investment decisions of the stage:

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 Market index returns (as well as actual returns) have been used to complete the risk indicator as SuperLife^{Age Steps} – Age 20 invests in SuperLife^{Income} and SuperLife¹⁰⁰ (together with the NZ Cash Fund), which have 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 SuperLife^{Age Steps} – Age 20. The risk indicator for SuperLife^{Age Steps} – Age 20 uses 9 months of market index returns for SuperLife^{Income} and SuperLife¹⁰⁰.
- 2 On 9 November 2016, the total management and administration charges changed to 0.62% per annum. As a result, the total fund charges will be different in the year to 31 March 2018.
- 3 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).