

SuperLife KiwiSaver scheme

NZ Bonds Fund

Fund update for the quarter ended 31 March 2019

This fund update was first made publicly available on 1 May 2019.

What is the purpose of this update?

This document tells you how the NZ Bonds 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 Bonds Fund is designed to provide a return (after tax, fees and other expenses) that reflects the after-tax return on the New Zealand bond market.

Total value of the fund:	\$34,452,144
Number of investors in the fund:	3,605
The date the fund started:	24 October 2007

What are the risks of investing?

Risk indicator for the NZ Bonds 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 March 2019. 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 Material Information' document on the offer register at www.disclose-register.companiesoffice.govt.nz for further information about the risks of investing in the SuperLife KiwiSaver scheme.

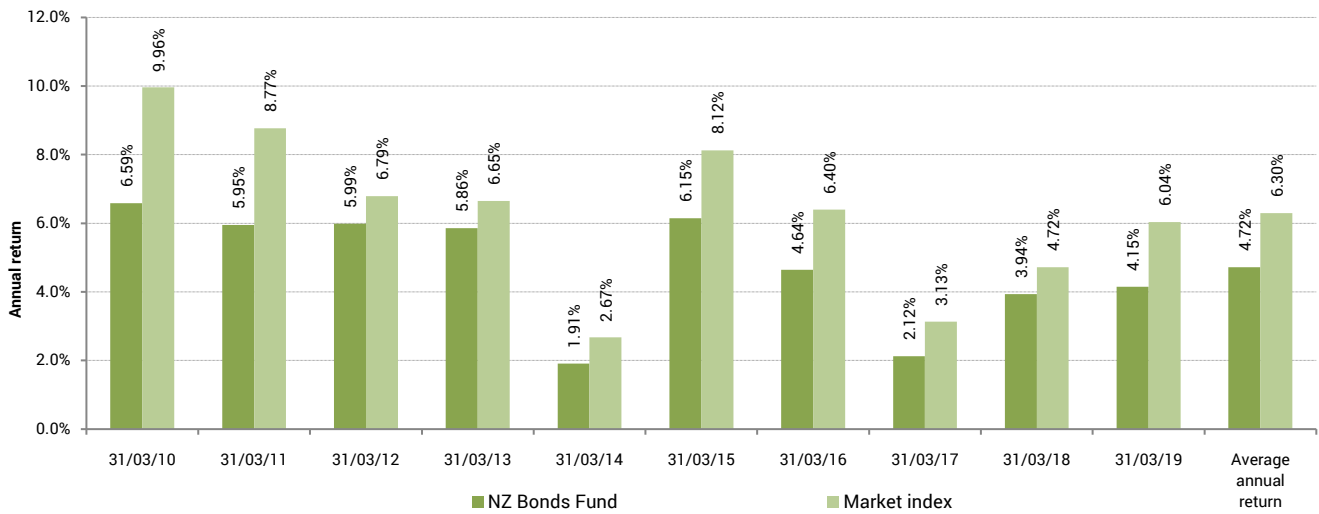
How has the fund performed?

	Average over past 5 years	Past year
Annual return (after deductions for charges and tax)	4.19%	4.15%
Annual return (after deductions for charges but before tax)	5.56%	5.28%
Market index annual return (reflects no deduction for charges and tax)	5.67%	6.04%

The market index annual return is based on the annual return of the S&P/NZX A-Grade Corporate Bond Index. Additional information about the market index is available in the 'Other Material Information' document on the offer register at www.disclose-register.companiesoffice.govt.nz.



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 March 2019.

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 NZ Bonds Fund are charged fund charges. In the year to 31 March 2019 these were:

	% per annum of fund's net asset value
Total fund charges	0.54%
Which are made up of:	
Total management and administration charges	0.54%
Including:	
Manager's basic fee	0.49%
Other management and administration charges	0.05%
Other charges	Dollar amount per investor
Administration fee	\$30 per annum

Investors may also be charged individual action fees for specific actions or decisions (for example, if an investor has a financial adviser and has agreed to pay a fee to the adviser for providing financial advice). See the Product Disclosure Statement for the SuperLife KiwiSaver scheme for more information about those fees.

Small differences in fees and charges can have a big impact on your investment over the long term.

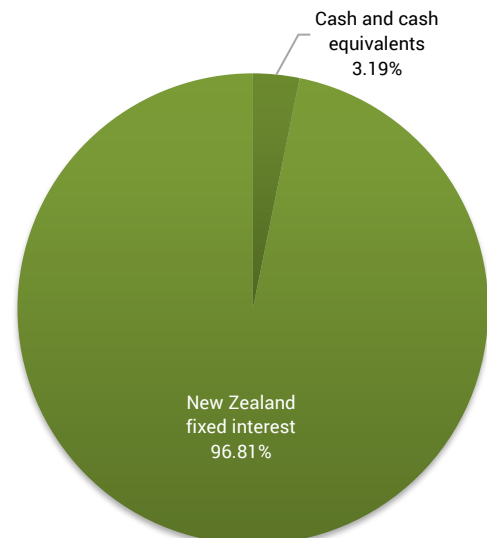
Example of how this applies to an investor

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 \$415 (that is 4.15% of her initial \$10,000). Jess paid other charges of \$30. This gives Jess a total return after tax of \$385 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	1.00%
New Zealand fixed interest	99.00%
International fixed interest	-
Australasian equities	-
International equities	-
Listed property	-
Unlisted property	-
Commodities	-
Other	-

Top 10 investments

Name	% of fund's net asset value	Type	Country	Credit rating (if applicable)
New Zealand Government 15/05/21 6.0% GB	7.31%	New Zealand fixed interest	New Zealand	AA+
Insurance Australia Group Ltd 15/06/43 5.15% CB	3.70%	New Zealand fixed interest	Australia	BBB
Fonterra Cooperative Group Ltd 25/02/22 5.90% CB	3.69%	New Zealand fixed interest	New Zealand	A-
Bank of New Zealand 15/06/23 4.102% CB	3.30%	New Zealand fixed interest	New Zealand	AA-
Fonterra Cooperative Group Ltd 19/06/25 5.08% CB	2.65%	New Zealand fixed interest	New Zealand	A-
New Zealand Local Government Funding Agency 15/04/23 5.50% GB	2.56%	New Zealand fixed interest	New Zealand	AA+
TR Group Ltd 07/03/24 4.533% CB	2.50%	New Zealand fixed interest	New Zealand	
ASB Bank Ltd 07/09/23 3.31% CB	2.43%	New Zealand fixed interest	New Zealand	AA-
New Zealand Government 20/09/25 2.0% IB	2.40%	New Zealand fixed interest	New Zealand	AA+
Westpac New Zealand Ltd 07/06/22 3.775% CB	2.39%	New Zealand fixed interest	New Zealand	AA-

The top 10 investments make up 32.93% of the fund's net asset value.

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
Guy Roulston Elliffe	Director	3 years and 4 months	Corporate Governance Manager - ACC	3 years and 11 months
Mark John Peterson	Director	1 year and 5 months	Chief Executive Officer - NZX	2 years and 2 months
Hugh Duncan Stevens	Chief Executive Officer - Smartshares	1 year and 1 month	Chief Operating Officer - Implemented Investment Solutions Ltd	2 years and 6 months
Alister John Williams	Director	3 years and 4 months	Investment Manager - Trust Management	4 years and 2 months
Lindsay Megan Wright	Director	9 months	Director - NZX	1 year and 1 month

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.disclose-register.companiesoffice.govt.nz.