

SuperLife KiwiSaver scheme

NZ Dividend Fund

Fund update for the quarter ended 30 September 2020

This fund update was first made publicly available on 29 October 2020.

What is the purpose of this update?

This document tells you how the NZ Dividend 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

Invests in New Zealand shares and designed to track the return (before tax, fees and other expenses) on the S&P/NZX 50 High Dividend Index.

| | |
|----------------------------------|-------------------|
| Total value of the fund: | \$3,123,808 |
| Number of investors in the fund: | 400 |
| The date the fund started: | 21 September 2015 |

What are the risks of investing?

Risk indicator for the NZ Dividend 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 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 30 September 2020. 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.

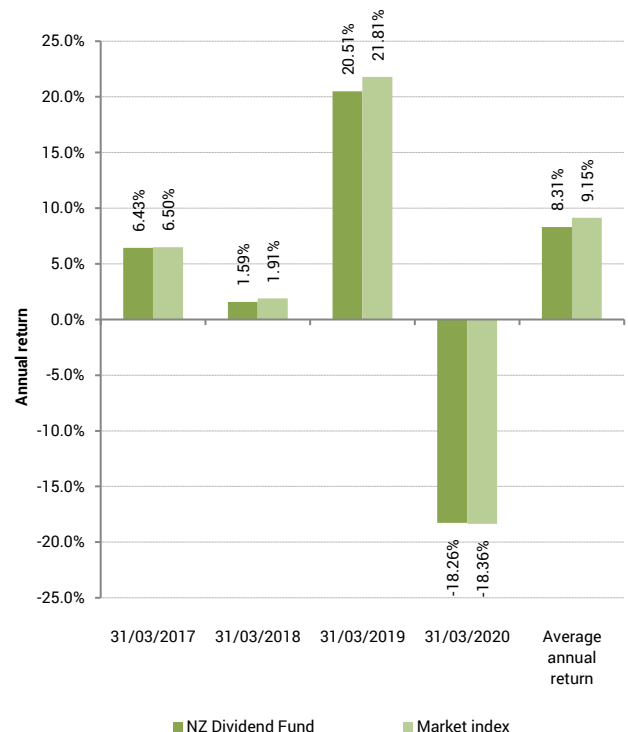
See the 'Other Material Information' document on the offer register at disclose-register.companiesoffice.govt.nz for further information about the risks of investing in the SuperLife KiwiSaver scheme.

How has the fund performed?

| | Average over past 5 years | Past year |
|--|---------------------------|-----------|
| Annual return (after deductions for charges and tax) | 8.82% | -12.40% |
| Annual return (after deductions for charges but before tax) | 10.54% | -11.28% |
| Market index annual return (reflects no deduction for charges and tax) | 9.58% | -12.32% |

The market index annual return is based on the annual return of the S&P/NZX 50 High Dividend Index. Additional information about the market index is available in the 'Other Material Information' document on the offer register at 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 30 September 2020.

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 Dividend Fund are charged fund charges. In the year to 31 March 2020 these were:

| | % per annum of fund's net asset value |
|--|---------------------------------------|
| Total fund charges | 0.59% |
| Which are made up of: | |
| Total management and administration charges | 0.59% |
| Including: | |
| Manager's basic fee | 0.58% |
| Other management and administration charges | 0.01% |
| Other charges | Dollar amount per investor |
| Administration fee | \$30 per annum ¹ |

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.

The fees set out above include GST where applicable.

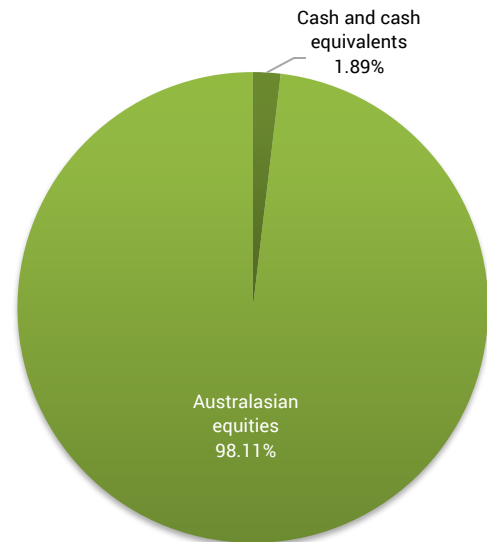
Example of how this applies to an investor

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 -\$1,240 (that is -12.40% of her initial \$10,000). Jess paid other charges of \$30. This gives Jess a total loss after tax of -\$1,270 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 10 investments

| Name | % of fund's net asset value | Type | Country | Credit rating (if applicable) |
|------------------------|-----------------------------|-----------------------|-------------|-------------------------------|
| Spark New Zealand Ltd | 9.73% | Australasian equities | New Zealand | |
| Contact Energy Ltd | 9.54% | Australasian equities | New Zealand | |
| Meridian Energy Ltd | 9.10% | Australasian equities | New Zealand | |
| Chorus Ltd | 7.24% | Australasian equities | New Zealand | |
| Infratil Ltd | 6.93% | Australasian equities | New Zealand | |
| Mercury NZ Ltd | 6.38% | Australasian equities | New Zealand | |
| EBOS Group Ltd | 5.31% | Australasian equities | New Zealand | |
| Ryman Healthcare Ltd | 4.82% | Australasian equities | New Zealand | |
| Genesis Energy Ltd | 4.72% | Australasian equities | New Zealand | |
| Goodman Property Trust | 4.21% | Australasian equities | New Zealand | |

The top 10 investments make up 67.99% of the fund's net asset value.

Currency hedging

The fund does not invest in non-New Zealand dollar denominated assets.

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 | 4 years and 10 months | Corporate Governance Manager - ACC (current position) | 5 years and 5 months |
| Stuart Kenneth Reginald Millar | Chief Investment Officer - Smartshares | 1 year and 4 months | Head of Portfolio Management - ANZ Investments | 6 years and 4 months |
| Hugh Duncan Stevens | Chief Executive Officer - Smartshares | 2 years and 7 months | Chief Operating Officer - Implemented Investment Solutions Ltd | 2 years and 6 months |
| Alister John Williams | Director | 4 years and 10 months | Investment Manager - Trust Management | 5 years and 8 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 disclose-register.companiesoffice.govt.nz.

Material changes

There have been no material changes to the nature of the SuperLife KiwiSaver scheme, the investment objectives and strategy of the fund, or the management of the scheme over the quarter ended 30 September 2020.

Notes

- The administration fee is stated net of an income tax deduction applied in calculating your PIE tax payable (the deduction is paid to us). The relevant gross fee is calculated using your PIR.