

Fund Update

SuperLife UK pension transfer scheme

NZ Cash Fund

For the quarter ended 30 September 2016

This fund update was first made publicly available on 3 November 2016.

What is the purpose of this update?

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

Total value of the fund:	\$1,744,727
Number of investors in the fund:	54
The date the fund started:	24 July 2012

What are the risks of investing?

Risk indicator for the NZ Cash Fund¹

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 30 September 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 investment management risk. In particular, while SuperLife UK pension transfer 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 the investment objective for the fund.

There is also a risk that UK tax law changes and as a result the SuperLife UK pension transfer scheme loses its QROPS status. We will not be liable for any loss you may suffer if this happens.

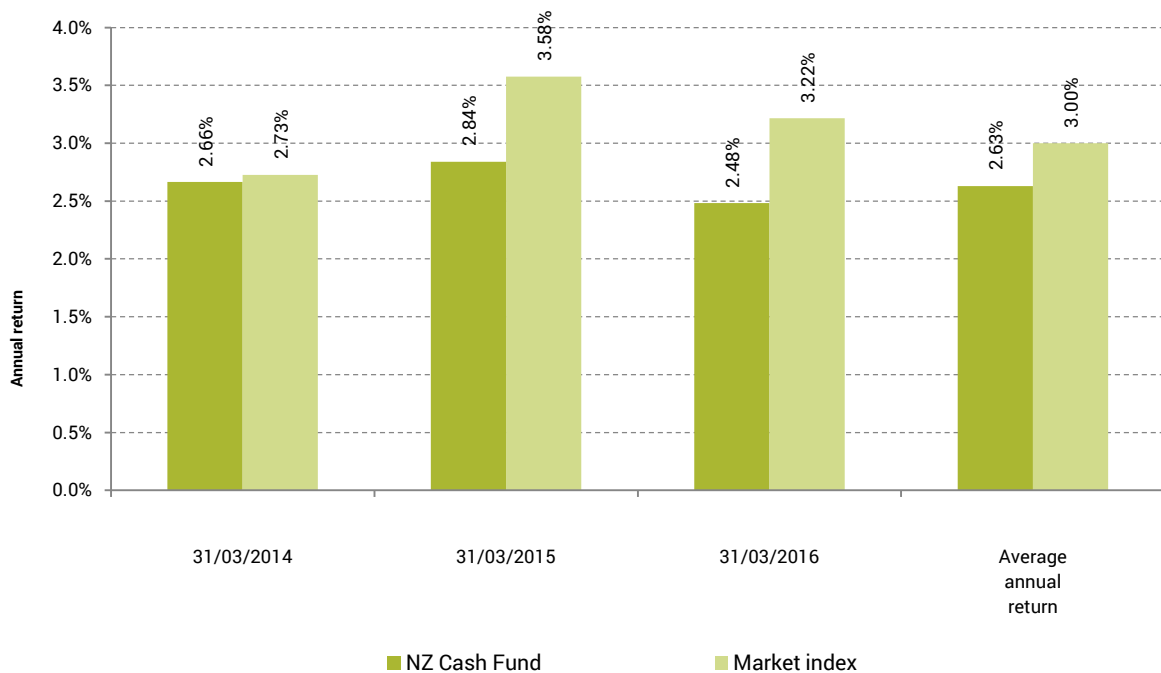
See the "Other Information – Risks" document on the offer register at www.business.govt.nz/disclose for further information.

How has the fund performed?

	Past year
Annual return (after deductions for charges and tax)	2.13%
Annual return (after deductions for charges but before tax)	2.87%
Market index annual return (reflects no deduction for charges and tax)	2.69%

The market index annual return is based on the annual return for the S&P/NZX Bank Bills 90-Day Index. Additional information about the market index is available 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 30 September 2016.

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 Cash Fund are charged fund charges. In the year to 31 March 2016 these were:

	% per annum of fund's net asset value
Total fund charges (estimate)	0.47%
Which are made up of:	
Total management and administration charges (estimate)	0.47%
Including:	
Manager's basic fee	0.30%
Other management and administration charges (estimate)	0.17%
Total performance-based fees	0.00%
Other charges	Dollar amount per investor
Administration fee	\$60 per annum

The Scheme has an entry fee. This fee is to meet the costs of transferring your money into the Scheme from a UK pension scheme. It will be calculated as our estimate of those costs and will be agreed with you before we start the transfer process.

See the "Other Information – Fees" document on the offer register at www.business.govt.nz/disclose for further information about the fees you will be charged for investing in the SuperLife UK pension transfer scheme.

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

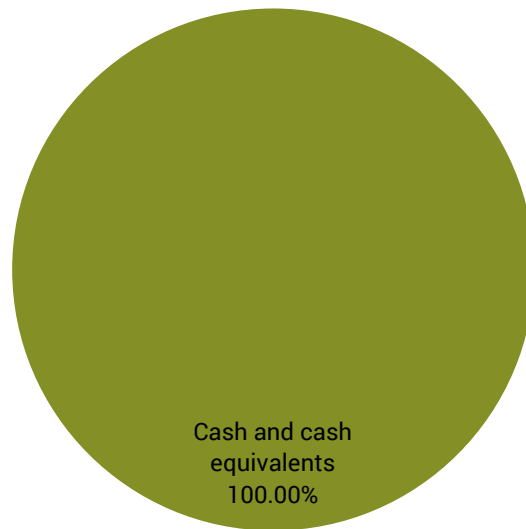
Example of how this applies to an investor

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 \$213 (that is 2.13% of her initial \$10,000). Jess paid other charges of \$60. This gives Jess a total return after tax of \$153 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	100.00%
New Zealand fixed interest	-
International fixed interest	-
Australasian equities	-
International equities	-
Listed property	-
Unlisted property	-
Commodities	-
Other	-

Top 10 investments

Name	% of fund net assets	Type	Country	Credit rating (if applicable)
Nikko AM Wholesale NZ Cash Fund	22.46%	Cash and equivalents	New Zealand	
Cash deposit (ASB Bank NZ\$)	6.55%	Cash and equivalents	New Zealand	AA-
SBS Term Depo 020217 3.43 TD	5.34%	Cash and equivalents	New Zealand	BBB
ASB Bank Ltd 080319 FRN	5.20%	Cash and equivalents	New Zealand	AA-
Kiwibank Limited 130519 FRN	4.62%	Cash and equivalents	New Zealand	AA+
ANZ Bank New Zealand Ltd 220319 FRN	3.20%	Cash and equivalents	New Zealand	AA-
Contact Energy Limited 130417 7.855 CB	3.05%	Cash and equivalents	New Zealand	BBB
Fonterra Co Operative Group Ltd 241017 FRN	2.90%	Cash and equivalents	New Zealand	A
New Zealand Tax Trading Co 311016 RCD	2.43%	Cash and equivalents	New Zealand	AA+
Bank of New Zealand 160617 3.04 TD	2.32%	Cash and equivalents	New Zealand	AA+

The top 10 investments make up 58.07% 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 1 month	Chief Executive Officer - NZX	4 years and 4 months
Michael John Chamberlain	Head of SuperLife Funds Management	1 year and 8 months	Director - SuperLife Limited	18 years and 6 months
Guy Roulston Elliffe	Director	10 months	Corporate Governance Manager - ACC	1 year and 5 months
Bevan Keith Miller	Director	3 years and 1 month	Chief Financial Officer - NZX	3 years and 9 months
Alister John Williams	Director	10 months	Investment Manager - Trust Management	1 year and 8 months

Further information

You can also obtain this information, the Product Disclosure Statement for SuperLife UK pension transfer 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 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 9 months of market index returns.