

# SuperLife UK pension transfer scheme

## NZ Cash ETF Fund

This fund update replaces the fund update for the quarter ended 31 December 2017 that was first made publicly available on 26 January 2018. Note 2 has been updated to refer to 7 December 2017 changes to the total management and administration charges.

### Fund update for the quarter ended 31 December 2017

This fund update was first made publicly available on 5 February 2018.

### What is the purpose of this update?

This document tells you how the NZ Cash ETF 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 ETF Fund invests in the Smartshares Exchange Traded Funds' NZ Cash Fund.

|                                  |                  |
|----------------------------------|------------------|
| Total value of the fund:         | \$13,266         |
| Number of investors in the fund: | 1                |
| The date the fund started:       | 11 November 2015 |

### What are the risks of investing?

#### Risk indicator for NZ Cash ETF Fund <sup>1</sup>



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](http://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 active management risk. In particular, the fund invests in an actively managed fund, the investment manager of which buys and sells financial products based on its own assessment of what is happening in the market. There is a risk that the investment manager selects investments for the actively managed fund that result in the NZ Cash ETF Fund achieving a return that is lower than its investment objective.

There is also a risk that changes to the UK's rules for recognised overseas pension scheme (ROPS) limit your ability to withdraw your investments or affect the UK tax you pay on your investment. We will not be liable for any loss you may suffer if this happens.

See the 'Other Information' document on the offer register at [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose) for further information about the risks of investing in the SuperLife UK pension transfer scheme.

## How has the fund performed?

|  | Past year |
|--|-----------|
| <b>Annual return</b><br>(after deductions for charges and tax)                   | 1.92%     |
| <b>Annual return</b><br>(after deductions for charges but before tax)            | 2.56%     |
| <b>Market index annual return</b><br>(reflects no deduction for charges and tax) | 2.02%     |

The market index annual return is based on the annual return of the S&P/NZX Bank Bills 90-Day Index. Additional information about the market index is available in the 'Other Information' document on the offer register at [www.business.govt.nz/disclose](http://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 NZ Cash ETF Fund are charged fund charges. In the year to 31 March 2017 these were:

|                           | % per annum of fund's net asset value |
|---------------------------|---------------------------------------|
| <b>Total fund charges</b> | 0.42% <sup>2</sup>                    |

Which are made up of:

|  |                    |
|--|--------------------|
| <b>Total management and administration charges</b> | 0.42% <sup>2</sup> |
|--|--------------------|

Including:

|   |       |
|---|-------|
| Manager's basic fee                         | 0.27% |
| Other management and administration charges | 0.15% |

|                                     |       |
|-------------------------------------|-------|
| <b>Total performance-based fees</b> | 0.00% |
|-------------------------------------|-------|

| Other charges      | Dollar amount per investor |
|--------------------|----------------------------|
| Administration fee | \$60 per annum             |

Investors may also be charged individual action fees for specific actions or decisions (for example, for transferring money into the scheme from a UK pension scheme). See the Product Disclosure Statement for the SuperLife UK pension transfer 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

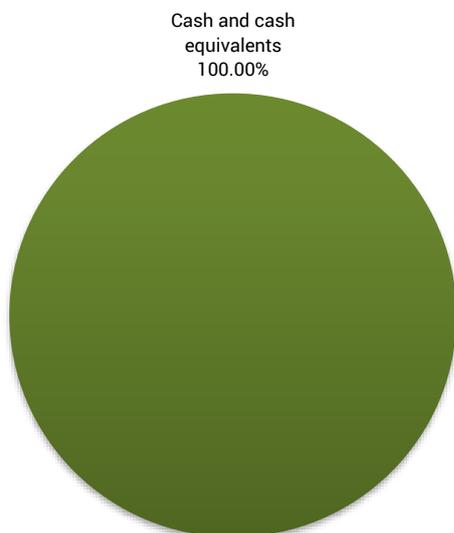
Jess had \$10,000 in the fund and did not make any further contributions. At the end of the year, Jess received a return after fund charges were deducted of \$192 (that is 1.92% of her initial \$10,000). Jess paid other charges of \$60. This gives Jess a total return after tax of \$132 for the year.



## 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 ten investments

| Name  | % of fund's net asset value | Type                      | Country     | Credit rating (if applicable) |
|---|-----------------------------|---------------------------|-------------|-------------------------------|
| SBS Bank 02/08/18 3.80% TD                        | 7.72%                       | Cash and cash equivalents | New Zealand |                               |
| ASB Bank Ltd 08/03/19 FRN                         | 7.20%                       | Cash and cash equivalents | New Zealand | AA-                           |
| Kiwibank Ltd 13/05/19 FRN                         | 6.41%                       | Cash and cash equivalents | New Zealand | A+                            |
| Meridian Energy Ltd 29/10/19 FRN                  | 4.86%                       | Cash and cash equivalents | New Zealand | BBB+                          |
| ANZ Bank New Zealand Ltd 22/03/19 FRN             | 4.44%                       | Cash and cash equivalents | New Zealand | AA-                           |
| Inland Revenue Deposit 15/01/18 RCD               | 4.18%                       | Cash and cash equivalents | New Zealand |                               |
| China Construction Bank 23/02/18 3.40% TD         | 3.27%                       | Cash and cash equivalents | New Zealand |                               |
| Westpac Banking Corp Wellington 20/06/18 3.13% TD | 3.23%                       | Cash and cash equivalents | New Zealand |                               |
| Kiwibank Ltd 16/02/18 3.12% TD                    | 2.97%                       | Cash and cash equivalents | New Zealand |                               |
| Bank of New Zealand 14/09/20 FRN                  | 2.78%                       | Cash and cash equivalents | New Zealand | AA-                           |

The top 10 investments make up 47.06% 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 |
|--------------------------|--|--------------------------|---------------------------------------|-----------------------------------|
| 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 UK pension transfer scheme, and some additional information, from the offer register at [www.business.govt.nz/disclose](http://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 2 years and 11 months of market index returns.
- 2 On 7 December 2017, the total management and administration charges changed to 0.53% per annum. As a result, the total fund charges will be different in the year to 31 March 2018.