

SuperLife UK pension transfer scheme

NZ Cash Fund

Fund update for the quarter ended 31 December 2019

This fund update was first made publicly available on 13 February 2020.

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 invests in New Zealand cash and cash equivalent assets (including term deposits). Designed for investors that want a defensive investment option that provides 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: | \$2,328,263 |
| Number of investors in the fund: | 58 |
| The date the fund started: | 24 July 2012 |

What are the risks of investing?

Risk indicator for the NZ Cash 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 December 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 recognised overseas pension schemes (**ROPS**) risk, which is the risk that changes to the UK's rules for 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 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 UK pension transfer scheme.

How has the fund performed?

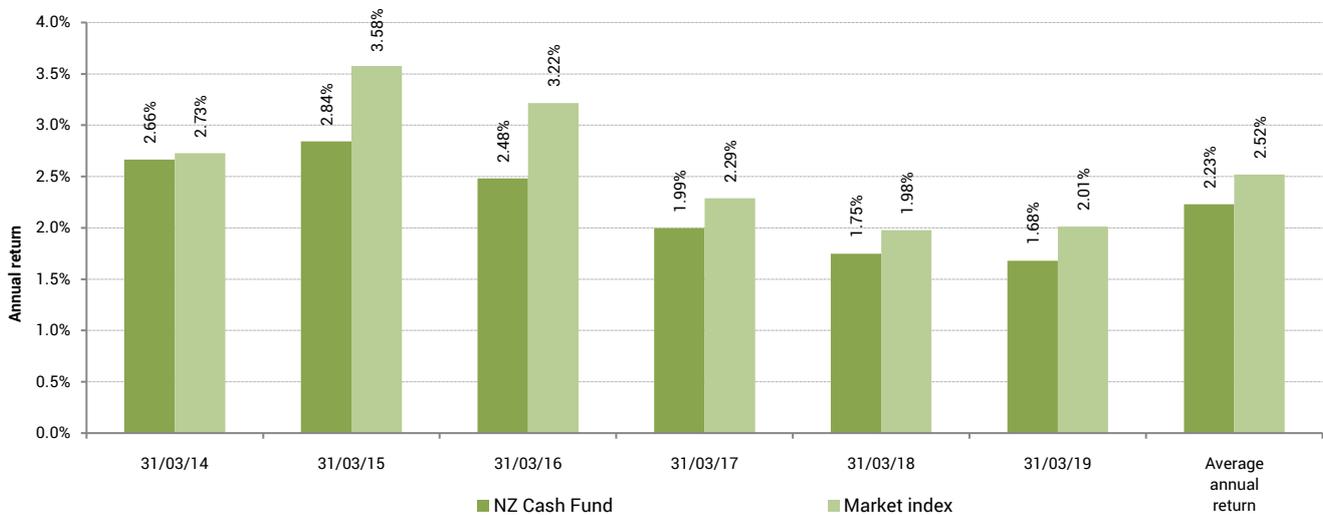
| | Average over past 5 years | Past year |
|--|---------------------------|-----------|
| Annual return (after deductions for charges and tax) | 1.97% | 1.64% |
| Annual return (after deductions for charges but before tax) | 2.73% | 2.49% |
| Market index annual return (reflects no deduction for charges and tax) | 2.31% | 1.68% |

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 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 December 2019.

Important: This does not tell you how the fund will perform in the future.

What fees are investors charged?

Investors in the NZ Cash 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 | 0.53% |
| Which are made up of: | |
| Total management and administration charges | 0.53% |
| Including: | |
| Manager's basic fee | 0.38% |
| Other management and administration charges | 0.15% |
| 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.

GST is included in the fund charges set out above.

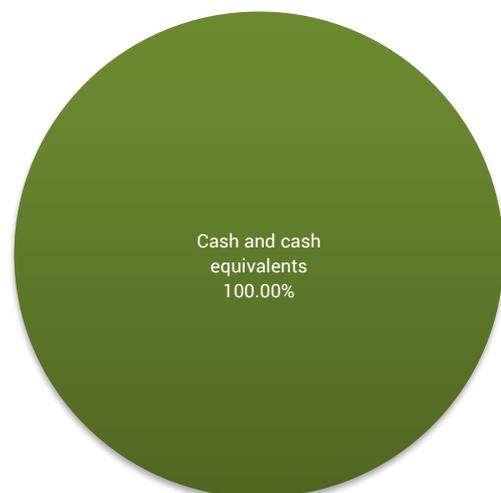
Example of how this applies to an investor

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 \$164 (that is 1.64% of her initial \$10,000). Jess paid other charges of \$60. This gives Jess a total return after tax of \$104 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's net asset value | Type | Country | Credit rating (if applicable) |
|---|-----------------------------|---------------------------|-------------|-------------------------------|
| Nikko AM Wholesale NZ Cash | 25.10% | Cash and cash equivalents | New Zealand | |
| Bank of China Ltd 03/10/23 4.34% TD | 8.52% | Cash and cash equivalents | New Zealand | A1 |
| Westpac Current Account | 7.21% | Cash and cash equivalents | New Zealand | AA- |
| Fonterra Cooperative Group Ltd 08/10/21 FRN | 3.22% | Cash and cash equivalents | New Zealand | |
| Bank of China Ltd 03/10/23 4.34% TD | 2.84% | Cash and cash equivalents | New Zealand | A1 |
| Toyota Finance New Zealand Ltd 26/10/22 FRN | 2.68% | Cash and cash equivalents | New Zealand | AA- |
| SBS Bank 29/07/20 3.19% TD | 2.68% | Cash and cash equivalents | New Zealand | A2 |
| Kiwibank Ltd 22/11/21 FRN | 2.39% | Cash and cash equivalents | New Zealand | |
| TSB Bank Ltd 22/01/20 RCD | 2.38% | Cash and cash equivalents | New Zealand | A1+ |
| Port of Tauranga 17/03/20 PNOTE | 2.37% | Cash and cash equivalents | New Zealand | A2 |

The top 10 investments make up 59.39% of the fund's net asset value.

Currency hedging

The fund does not invest in non-New Zealand dollar denominated assets and as a result does not undertake currency hedging.



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

Material changes

There have been no material changes to the nature of the SuperLife UK pension transfer scheme, the investment objectives and strategy of the fund, or the management of the scheme over the quarter ended 31 December 2019.