

SuperLife workplace savings scheme

SuperLife^{Age Steps} - Age 80 ¹

Investment update for the quarter ended 30 June 2018

This investment update was first made publicly available on 25 July 2018.

What is the purpose of this update?

This document tells you how SuperLife^{Age Steps} - Age 80 (the **stage**) has performed and what fees were charged. The document will help you to compare the stage 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 stage

SuperLife^{Age Steps} automatically sets the proportion of your investment in income and growth assets based on your age. As you get older, the proportion of your investment in more volatile growth assets will be reduced, lowering the expected size of the ups and downs in the value of your investment. This option may be suitable if you are saving for retirement (assumed to be age 65), and assumes you will continue to invest your savings and spend them over your retirement period.

Your SuperLife^{Age Steps} - Age 80 investment will be allocated 90% to income assets and 10% to growth assets.

Total value of SuperLife^{Age Steps} - Age 80: -
 Number of investors in SuperLife^{Age Steps} - Age 80: -
 The date SuperLife^{Age Steps} - Age 80 started: 15 September 2013

What are the risks of investing?

Risk indicator for SuperLife^{Age Steps} - Age 80 ²



The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the stage'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 stage's future performance. The risk indicator is based on the returns

data for 5 years to 30 June 2018. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future investment updates.

See the Product Disclosure Statement for the SuperLife workplace savings scheme for more information about the risks associated with investing in this stage.

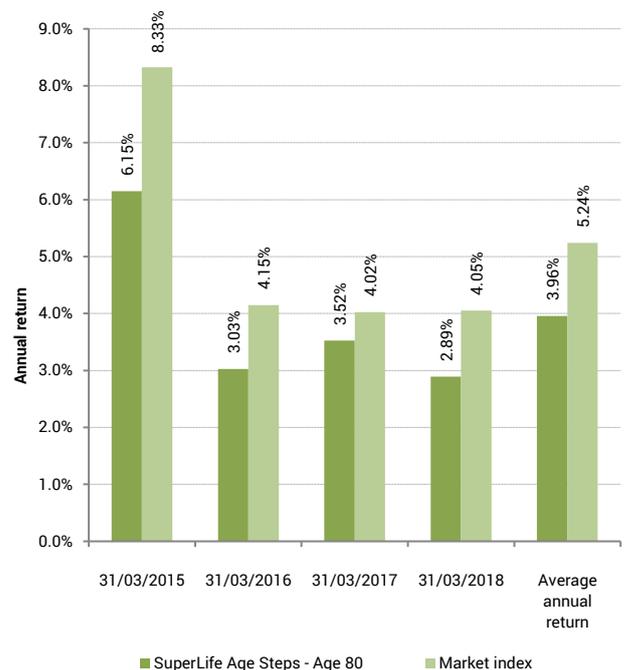
How has the stage performed?

| | Past year |
|--|-----------|
| Annual return (after deductions for charges and tax) | 2.55% |
| Annual return (after deductions for charges but before tax) | 2.96% |
| Market index annual return (reflects no deduction for charges and tax) | 3.47% |

The market index annual return is based on the weighted average annual return of the market indices used to measure the performance of the assets that the stage invests in. 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.

The market index was changed on 29 June 2018 to ensure the index that the stage is measured against is better aligned to the assets the stage holds.

Annual return graph





This shows the return after fund charges and tax for each year ending 31 March since the stage started. The last bar shows the average annual return since the stage started, up to 30 June 2018.

Important: This does not tell you how the stage 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 SuperLife^{Age Steps} - Age 80 are charged fund charges. In the year to 31 March 2018 these were:

| | % per annum of stage's net asset value |
|--|--|
| Total fund charges | 0.44% |
| Which are made up of: | |
| Total management and administration charges | 0.44% |
| Including: | |
| Manager's basic fee | 0.25% |
| Other management and administration charges | 0.19% |
| Other charges | Dollar amount per investor |
| Administration fee | \$12 per annum |

Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing money and transferring it to a KiwiSaver scheme other than the SuperLife KiwiSaver scheme). See the Product Disclosure Statement for the SuperLife workplace savings 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 stage and did not make any further contributions. At the end of the year, Jess received a return after fund charges were deducted of \$255 (that is 2.55% of her initial \$10,000). Jess paid other charges of \$12. This gives Jess a total return after tax of \$243 for the year.

What does the stage invest in?

Actual investment mix

This shows the types of assets that the stage invests in.



Target investment mix

This shows the mix of assets that the stage generally intends to invest in.

| Asset Category | Target asset mix |
|------------------------------|------------------|
| Cash and cash equivalents | 31.00% |
| New Zealand fixed interest | 20.00% |
| International fixed interest | 38.00% |
| Australasian equities | 3.00% |
| International equities | 7.00% |
| Listed property | 1.00% |
| Unlisted property | - |
| Commodities | - |
| Other | - |



Top 10 investments

| Name | % of stage's net asset value | Type | Country | Credit rating (if applicable) |
|--|------------------------------|------------------------------|---------------|-------------------------------|
| Vanguard International Credit Securities Index Fund Hedged | 17.63% | International fixed interest | Australia | |
| Nikko AM Wholesale NZ Cash Fund | 11.88% | Cash and cash equivalents | New Zealand | |
| ASB Current Account | 2.14% | Cash and cash equivalents | New Zealand | AA- |
| New Zealand Government 15/05/21 6.0% GB | 1.96% | New Zealand fixed interest | New Zealand | AA+ |
| SBS Bank 02/08/18 3.80% TD | 1.54% | Cash and cash equivalents | New Zealand | |
| Kiwibank Ltd 13/05/19 FRN | 1.45% | Cash and cash equivalents | New Zealand | A+ |
| Vanguard S&P 500 ETF | 1.28% | International equities | United States | |
| Fonterra Coop Group Ltd 11/09/18 PNOTE | 1.24% | Cash and cash equivalents | New Zealand | |
| Vanguard FTSE Europe ETF | 1.09% | International equities | United States | |
| Meridian Energy Ltd 29/10/19 FRN | 0.95% | Cash and cash equivalents | New Zealand | BBB+ |

The top 10 investments make up 41.16% of the stage's net asset value.

Currency hedging

The NZ Cash Fund, SuperLife^{Income} and SuperLife¹⁰⁰ (which are funds the stage invests into) do not hedge their foreign currency exposure, but these funds may invest in other funds which hedge their foreign currency exposure.

Key personnel

This shows the directors and employees who have the most influence on the investment decisions of the stage:

| Name | Current position | Time in current position | Previous or other positions | Time in previous / other position |
|-----------------------|------------------|--------------------------|--|-----------------------------------|
| Paul James Baldwin | Director | 1 year and 6 months | Executive Consultant – NZX Wealth Technologies | 1 year and 9 months |
| Lindsay Megan Wright | Director (new) | 1 month | Director – NZX | 5 months |
| Guy Roulston Elliffe | Director | 2 years and 7 months | Corporate Governance Manager - ACC | 3 years and 2 months |
| Mark John Peterson | Director | 8 months | Chief Executive Officer - NZX | 1 year and 5 months |
| Alister John Williams | Director | 2 years and 7 months | Investment Manager - Trust Management | 3 years and 5 months |

Further information

You can also obtain this information, the Product Disclosure Statement for the SuperLife workplace savings scheme, and some additional information, from the offer register at www.disclose-register.companiesoffice.govt.nz.

Notes

- 1 SuperLife^{Age Steps} - Age 80 does not currently have any investors. The information in this document sets out our estimates as to how SuperLife^{Age Steps} - Age 80 would have performed and what fees would have been charged if it had investors. These estimates are based on our experience in respect of SuperLife^{Age Steps} - Age 80 in the other SuperLife managed investment schemes.
- 2 Market index returns (as well as actual returns) have been used to complete the risk indicator as SuperLife^{Age Steps} – Age 80 invests in the NZ Cash Fund, SuperLife^{Income} and SuperLife¹⁰⁰, some of which have 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 SuperLife^{Age Steps} – Age 80. The risk indicator for SuperLife^{Age Steps} – Age 80 uses 3 months of market index returns.