

SuperLife workplace savings scheme

Product Disclosure Statement

Offer of membership of the SuperLife workplace savings scheme

Issued by Smartshares Limited

This document gives you important information about this investment to help you decide whether you want to invest. There is other useful information about this offer on www.business.govt.nz/disclose. Smartshares Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial adviser to help you to make an investment decision.

This is a replacement product disclosure statement. It replaces the product disclosure statement dated 11 April 2017.



1. Key information summary

What is this?

This is a managed investment scheme. Your money will be pooled with other investors' money and invested in various investments. Smartshares Limited (**we, our** or **us**) will invest your money and charge you a fee for our services. The returns you receive are dependent on our investment decisions and the performance of the investments. The value of those investments may go up or down. The types of investments and the fees you will be charged are described in this document.

What will your money be invested in?

The SuperLife workplace savings scheme (**Scheme**) has 41 investment options, which you can combine any way you choose:

- ▶ **SuperLife^{Age Steps}**: An investment option where the mix of income and growth assets is automatically set based on your age. As you get older, the proportion of your investment in growth assets will be reduced, lowering the expected size of the ups and downs in the value of your investment.
- ▶ **Ethica**: A socially responsible 'balanced' fund which excludes assets that do not meet the fund's defined ethical investment standards.
- ▶ **Managed funds**: Five funds that provide a range of risk-return profiles. The funds invest in a mix of the sector and ETF funds. If you invest in a managed fund, it's up to you to change funds if your risk-return profile changes.
- ▶ **Sector and ETF funds**: 34 funds invested in New Zealand and international markets that you can use to set your own investment strategy across the main investment asset classes of cash, fixed interest, shares and property. If you invest in the sector and ETF funds, it's up to you to change funds if your investment strategy changes.

Some of these investment options are summarised on pages 3 to 4. More information about the investment target and strategy for each of these investment options is provided in section 3.

The other investment options offered under this product disclosure statement are listed on page 5. A summary of the investment target and strategy, and other information about performance and fees, for each of these investment options is contained in a separate fund update. These fund updates should be read together with this product disclosure statement and are available at www.superlife.co.nz.

Who manages the Scheme?

Smartshares Limited is the manager of the Scheme. See section 7 for more information.

How can you get your money out?

Subject to the rules set out in the PDS Supplement for your employer (**PDS Supplement**), you can withdraw your investment when you cease employment with your employer.

In certain circumstances, you may be able to make an early withdrawal. These circumstances include financial hardship and serious illness. See section 2 for more information.

How will your investment be taxed?

The Scheme is a portfolio investment entity (**PIE**).

The amount of tax you pay in respect of a PIE is based on your prescribed investor rate (PIR). This can be 10.5%, 17.5% or 28%. See section 6 for more information.

Where can you find more key information?

We are required to publish quarterly updates for each investment option. The updates show the returns, and the total fees and charges actually charged to investors, during the previous year. The latest fund updates are available at www.superlife.co.nz. We will also give you copies of those documents on request.



Investment options summarised in this product disclosure statement

Funds					
Fund	Target income assets	Target growth assets	Description and investment objective	Risk indicator	Estimated fund charges (% per annum of the fund's net asset value)
NZ Cash Fund	100%	—	A 'defensive' investment option designed to provide a return (after tax, fees and other expenses) that reflects the after-tax return on the New Zealand cash market.		0.42%
SuperLife ^{Income}	100%	—	Invests in income assets. Designed for investors that want an investment in New Zealand and international fixed interest. Negative annual returns may occur once in every 7–10 years on average.		0.45%
SuperLife ³⁰	70%	30%	Invests mostly in income assets. Designed for investors that want a 'conservative' investment option. Negative annual returns may occur once in every 7–10 years on average.		0.46%
Ethica	40%	60%	Invests in a mix of income and growth assets. Designed for investors that want a 'balanced' investment option. A socially responsible fund which excludes assets that do not meet the fund's defined ethical investment standards. Negative annual returns may occur once in every 5–7 years on average.		0.59%
SuperLife ⁶⁰	40%	60%	Invests in a mix of income and growth assets. Designed for investors that want a 'balanced' investment option. Negative annual returns may occur once in every 5–7 years on average.		0.49%
SuperLife ⁸⁰	20%	80%	Invests mostly in growth assets. Designed for investors that want a 'growth' investment option. Negative annual returns may occur once in every 3–5 years on average.		0.50%
SuperLife ¹⁰⁰	—	100%	Invests in growth assets. Designed for investors that want an 'aggressive' investment option that invests in shares and property. Negative annual returns may occur once in every 2–4 years on average.		0.52%



SuperLife^{Age Steps}

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.

The information set out below is a representative sample of the age steps. Information about all the age steps is available at www.superlife.co.nz/agesteps.

Investor's age	Target income assets	Target growth assets	Risk indicator	Estimated fund charges (% per annum of the fund's net asset value)
20 years	4%	96%	<div> <div>Lower risk</div> <div> <div>1</div> <div>2</div> <div>3</div> <div>4</div> <div>5</div> <div>6</div> <div>7</div> </div> <div>Higher risk</div> </div> <div> <div>Potentially lower return</div> <div>Potentially higher return</div> </div>	0.52%
30 years	20%	80%	<div> <div>Lower risk</div> <div> <div>1</div> <div>2</div> <div>3</div> <div>4</div> <div>5</div> <div>6</div> <div>7</div> </div> <div>Higher risk</div> </div> <div> <div>Potentially lower return</div> <div>Potentially higher return</div> </div>	0.51%
40 years	20%	80%	<div> <div>Lower risk</div> <div> <div>1</div> <div>2</div> <div>3</div> <div>4</div> <div>5</div> <div>6</div> <div>7</div> </div> <div>Higher risk</div> </div> <div> <div>Potentially lower return</div> <div>Potentially higher return</div> </div>	0.51%
50 years	25%	75%	<div> <div>Lower risk</div> <div> <div>1</div> <div>2</div> <div>3</div> <div>4</div> <div>5</div> <div>6</div> <div>7</div> </div> <div>Higher risk</div> </div> <div> <div>Potentially lower return</div> <div>Potentially higher return</div> </div>	0.50%
60 years	42.5%	57.5%	<div> <div>Lower risk</div> <div> <div>1</div> <div>2</div> <div>3</div> <div>4</div> <div>5</div> <div>6</div> <div>7</div> </div> <div>Higher risk</div> </div> <div> <div>Potentially lower return</div> <div>Potentially higher return</div> </div>	0.49%
70 years	60%	40%	<div> <div>Lower risk</div> <div> <div>1</div> <div>2</div> <div>3</div> <div>4</div> <div>5</div> <div>6</div> <div>7</div> </div> <div>Higher risk</div> </div> <div> <div>Potentially lower return</div> <div>Potentially higher return</div> </div>	0.47%
80 years	90%	10%	<div> <div>Lower risk</div> <div> <div>1</div> <div>2</div> <div>3</div> <div>4</div> <div>5</div> <div>6</div> <div>7</div> </div> <div>Higher risk</div> </div> <div> <div>Potentially lower return</div> <div>Potentially higher return</div> </div>	0.45%

* Market index returns (as well as actual returns) have been used to complete the risk indicators for SuperLife^{Income}, SuperLife⁸⁰ and SuperLife¹⁰⁰, as these funds have not been in existence for 5 years. Market index returns (as well as actual returns) have also been used to complete the risk indicators for SuperLife^{Age Steps}, as each step invests in SuperLife^{Income} and SuperLife¹⁰⁰ (together with the NZ Cash Fund). As a result, the risk indicators may provide a less reliable indicator of the potential future volatility of these investment options. The risk indicators for SuperLife^{Income}, SuperLife⁸⁰ and SuperLife¹⁰⁰ use 1 year of market index returns.

The Scheme has an administration fee. The cost to you is \$12 a year (regardless of the number of investment options you choose to invest in, or the number of times you change your investment options).

The Scheme also has a paper statements fee. You will only be charged this fee if you choose to receive statements and other SuperLife communications in paper form. The cost to you is \$18 a year.

The PDS Supplement may allow you to transfer money from your accounts to a KiwiSaver scheme.

Where the transfer is to a KiwiSaver scheme other than the SuperLife KiwiSaver scheme, you will be charged a transfer fee. The fee is \$50 for each transfer.

See section 4 for an explanation of the risk indicator and for information about other risks that are not included in the risk indicator. 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.



Investment options summarised in fund updates

The following sector and ETF funds give you the flexibility to set your own investment strategy.

Sector funds

Each of the sector funds invests almost entirely in one asset class.

NZ Bonds Fund

Overseas Bonds Fund

Overseas Non-government Bonds Fund

Property Fund

NZ Shares Fund

Australian Shares Fund

Overseas Shares (Currency Hedged) Fund

Overseas Shares Fund

Emerging Markets Fund

UK Cash Fund

ETF funds

Each of the ETF funds invests almost entirely in the equivalent Smartshares Exchange Traded Fund.

NZ Cash ETF Fund

NZ Bond ETF Fund

Global Bond ETF Fund

NZ Dividend ETF Fund

NZ Top 50 ETF Fund

NZ Top 10 ETF Fund

NZ Mid Cap ETF Fund

NZ Property ETF Fund

Australian Top 20 ETF Fund

Australian Dividend ETF Fund

Australian Financials ETF Fund

Australian Property ETF Fund

Australian Resources ETF Fund

Australian Mid Cap ETF Fund

Total World ETF Fund

US 500 ETF Fund

Europe ETF Fund

Asia Pacific ETF Fund

US Large Growth ETF Fund

US Large Value ETF Fund

US Mid Cap ETF Fund

US Small Cap ETF Fund

Emerging Markets ETF Fund



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2. How does this investment work?

The Scheme offers the following investment options:

- ▶ **SuperLife^{Age Steps}**: An investment option where the mix of income and growth assets is automatically set based on your age. As you get older, the proportion of your investment in growth assets will be reduced, lowering the expected size of the ups and downs in the value of your investment.
- ▶ **Ethica**: A socially responsible 'balanced' fund which excludes assets that do not meet the fund's defined ethical investment standards.
- ▶ **Managed funds**: Five funds that provide a range of risk-return profiles. The funds invest in a mix of the sector and ETF funds. If you invest in a managed fund, it's up to you to change funds if your risk-return profile changes.
- ▶ **Sector and ETF funds**: 34 funds invested in New Zealand and international markets that you can use to set your own investment strategy across the main investment asset classes of cash, fixed interest, shares and property. If you invest in the sector and ETF funds, it's up to you to change funds if your investment strategy changes.

You also have the flexibility to combine the investment options.

The principles that underlie the Scheme's broad investment philosophy are:

- ▶ **Passive**: We believe that a passive approach to investing will deliver better long-term results. Passive investing means we will either invest in a fund designed to track an index or in a number of assets for the long term. We do not think that constantly changing our investments (that is, trading regularly and seeking short-term gains), consistently adds value to investors.
- ▶ **Cost effective**: We make decisions based on what is practical, sensible and for the long term. All decisions must be cost effective – the return to you is improved by the careful management of costs.

- ▶ **Diversified**: We believe that better and more consistent outcomes result from diversification. Diversification is about investing in a number of investments and reducing your risk by doing so.

- ▶ **Simple**: We aim to keep things simple.

The Scheme is a workplace savings scheme under the Financial Markets Conduct Act 2013. To protect the interests of investors, the Scheme's investments are held by an independent custodian, and our operations are supervised by an independent supervisor, Public Trust. The Scheme is established as a trust and is governed by a trust deed between the supervisor and us.

To minimise administration costs and keep fees low, the Scheme invests in assets by investing in SuperLife Invest, which is a managed investment scheme also managed by us. We do not charge you additional fees because the Scheme invests in this way.

Your money is pooled and invested with other investors' money. Contributions are made by you and your employer. How much you and your employer contribute is set out in the PDS Supplement.

Your contributions go into your member account. Any employer contributions go into your employer account. Any voluntary contributions go into your voluntary account. Each of these accounts is in your name and is invested in one or more of the investment options chosen by you (or, if you do not choose an investment option, the default option set out in the PDS Supplement will be used).

As an investor, you have an interest in the Scheme. However, your interest does not give you any right to any particular asset of a fund.

When you become eligible to withdraw your investment, you can do so by redeeming your interest in the Scheme for cash.



All funds have assets (the investments of the fund) and liabilities (the fees, taxes and other costs payable by the fund). All liabilities incurred in respect of a fund will be met in the first instance from the assets of that fund. If the investments in a fund are not sufficient to meet its liabilities, the investments in another fund may be used to meet those liabilities.

Special conditions may apply to your membership of the Scheme. These special conditions will be set out in the PDS Supplement, which will be provided to you, together with this product disclosure statement. Details of any insurance arrangements that are provided or available through your employer are also set out in the PDS Supplement.

Joining the Scheme

To join the Scheme, you must be employed or engaged by an employer or industry that is a participating employer in the Scheme. You can apply by completing the application form attached to the PDS Supplement and providing it to us. Details of any additional eligibility criteria for becoming an investor will be set out in the PDS Supplement.

Making investments

Your standard contributions will be calculated as a percentage of your gross (before-tax) salary or wages, or other basis, as set out in the PDS Supplement. The PDS Supplement will also set out the rate for any employer contribution. Tax will be deducted from employer contributions.

You can make voluntary contributions at any time. There is no minimum contribution amount.

You may also be able to transfer money into the Scheme from another workplace savings or superannuation scheme.

Your contributions and any contributions from your employer will be invested in the investment options you have chosen. If you do not choose an investment option, the contributions will be invested in the investment option specified as the default option in the PDS Supplement.

Withdrawing your investments

You can withdraw your investment when you cease employment with your employer, subject to the rules set out in the PDS Supplement. You can withdraw your investment by making regular or lump sum withdrawals, or by withdrawing the full amount.

You may also be able to withdraw your investment early in limited circumstances (for example, in the case of financial hardship or serious illness).

When you cease employment, the investments held in your member account and voluntary account (if you have one), and some or all of the investments in your employer account (as set out in the PDS Supplement), will be available for withdrawal.

If you die, we will pay your investment to the people you have nominated or, if you have not nominated anyone, your personal representatives (the executors or administrators of your estate) or otherwise in accordance with law. Withdrawals may also be required by law (for example, if a court orders the release of money from your account).

We may, in limited circumstances, suspend processing withdrawal requests (including where we cannot sell enough assets of a fund to satisfy a withdrawal request, or if we consider a withdrawal could be detrimental to other investors in a fund).

How to switch between investment options

You can switch your investment from one investment option to another investment option at any time free of charge.

You also have the flexibility to leave your existing investment in your current investment options, and just change the investment options that your future contributions are allocated to.

You can do this at www.superlife.co.nz or by completing a change investment strategy form (which is available online) and providing it to us.

We may, in limited circumstances, suspend processing requests to switch between investment options.



3. Description of your investment options

The funds invest in income and growth assets. No one knows for certain how these types of assets are going to perform, but based on our experience we would expect the following characteristics:

► **Income assets:** Income assets include cash and fixed interest. With cash, we would expect positive returns, but lower than the returns for other assets over the long term. Investing in cash is suitable when money may be required in the short term (0–3 years). With fixed interest, we would expect positive returns that are higher than the returns for cash over 3–5 years, but at times returns can be negative over the shorter term. Investing in fixed interest is suitable when money may be required in the medium term (3–10 years).

► **Growth assets:** Growth assets include shares and property. With shares and property, we would expect positive returns that are higher than the returns for cash and fixed interest over the long term, but at times returns can be negative over the short to medium term. These negative returns can be quite large. Investing in shares and property is suitable when money can be invested for the long term (7 years plus).

To help you understand what type of investor you are, you can seek financial advice or work it out at www.sorted.org.nz/tools/investor-kickstarter.

Funds		
Description, investment objective and target investment mix	Risk indicator	Minimum suggested investor timeframe
<p>NZ Cash Fund</p> <p>Designed to provide a return (after tax, fees and other expenses) that reflects the after-tax return on the New Zealand cash market.</p> <p>► 100% Cash and cash equivalents</p> <p>► 100% Income assets</p>	<p>www.sorted.org.nz fund type: DEFENSIVE</p> <p>Lower risk 1 2 3 4 5 6 7 Higher risk</p> <p>Potentially lower return Potentially higher return</p>	None
<p>SuperLife^{Income}</p> <p>Invests in income assets. Designed for investors that want an investment in New Zealand and international fixed interest. Negative annual returns may occur once in every 7–10 years on average.</p> <p>► 50% NZ fixed interest</p> <p>► 50% International fixed interest</p> <p>► 100% Income assets</p>	<p>Lower risk 1 2 3 4 5 6 7 Higher risk*</p> <p>Potentially lower return Potentially higher return</p>	5 years
<p>SuperLife³⁰</p> <p>Invests mostly in income assets. Negative annual returns may occur once in every 7–10 years on average.</p> <p>► 5% Cash and cash equivalents</p> <p>► 32.5% NZ fixed interest</p> <p>► 32.5% International fixed interest</p> <p>► 70% Income assets</p> <p>► 11% Australasian equities</p> <p>► 14% International equities</p> <p>► 5% Listed property</p> <p>► 30% Growth assets</p>	<p>www.sorted.org.nz fund type: CONSERVATIVE</p> <p>Lower risk 1 2 3 4 5 6 7 Higher risk</p> <p>Potentially lower return Potentially higher return</p>	6 years



Funds		
Description, investment objective and target investment mix	Risk indicator	Minimum suggested investor timeframe
Ethica <div>www.sorted.org.nz fund type: BALANCED</div> <p>Invests in a mix of income and growth assets. A socially responsible fund which excludes assets that do not meet the fund's defined ethical investment standards. Negative annual returns may occur once in every 5 – 7 years on average.</p> <ul style="list-style-type: none"> ▶ 5% Cash and cash equivalents ▶ 35% NZ fixed interest ▶ 40% Income assets ▶ 25% Australasian equities ▶ 25% International equities ▶ 10% Listed property ▶ 60% Growth assets 	<div> <div>Lower risk</div> <div> <div>1</div> <div>2</div> <div>3</div> <div>4</div> <div>5</div> <div>6</div> <div>7</div> </div> <div>Higher risk</div> </div> <div>Potentially lower returnPotentially higher return</div>	8 years
SuperLife⁶⁰ <div>www.sorted.org.nz fund type: BALANCED</div> <p>Invests in a mix of income and growth assets. Negative annual returns may occur once in every 5 – 7 years on average.</p> <ul style="list-style-type: none"> ▶ 5% Cash and cash equivalents ▶ 15% NZ fixed interest ▶ 20% International fixed interest ▶ 40% Income assets ▶ 20% Australasian equities ▶ 32.5% International equities ▶ 7.5% Listed property ▶ 60% Growth assets 	<div> <div>Lower risk</div> <div> <div>1</div> <div>2</div> <div>3</div> <div>4</div> <div>5</div> <div>6</div> <div>7</div> </div> <div>Higher risk</div> </div> <div>Potentially lower returnPotentially higher return</div>	8 years
SuperLife⁸⁰ <div>www.sorted.org.nz fund type: GROWTH</div> <p>Invests mostly in growth assets. Negative annual returns may occur once in every 3 – 5 years on average.</p> <ul style="list-style-type: none"> ▶ 5% Cash and cash equivalents ▶ 5% NZ fixed interest ▶ 10% International fixed interest ▶ 20% Income assets ▶ 24% Australasian equities ▶ 46% International equities ▶ 10% Listed property ▶ 80% Growth assets 	<div> <div>Lower risk</div> <div> <div>1</div> <div>2</div> <div>3</div> <div>4</div> <div>5</div> <div>6</div> <div>7</div> </div> <div>Higher risk*</div> </div> <div>Potentially lower returnPotentially higher return</div>	9 years
SuperLife¹⁰⁰ <div>www.sorted.org.nz fund type: AGGRESSIVE</div> <p>Invests in growth assets. Designed for investors that want an investment that invests in shares and property. Negative annual returns may occur once in every 2 – 4 years on average.</p> <ul style="list-style-type: none"> ▶ 33% Australasian equities ▶ 55% International equities ▶ 12% Listed property ▶ 100% Growth assets 	<div> <div>Lower risk</div> <div> <div>1</div> <div>2</div> <div>3</div> <div>4</div> <div>5</div> <div>6</div> <div>7</div> </div> <div>Higher risk*</div> </div> <div>Potentially lower returnPotentially higher return</div>	10 years



SuperLife^{Age Steps}

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.

The information set out below is a representative sample of the age steps. Information about all the age steps is available at www.superlife.co.nz/agesteps.

Investor's age	Target investment mix	Risk indicator
20 years	<ul style="list-style-type: none"> ▶ 2% NZ fixed interest ▶ 2% International fixed interest ▶ 4% Income assets ▶ 32% Australasian equities ▶ 53% International equities ▶ 11% Listed property ▶ 96% Growth assets 	<p>Lower risk Higher risk *</p> <p>Potentially lower return Potentially higher return</p> <p>1 2 3 4 5 6 7</p>
30 years	<ul style="list-style-type: none"> ▶ 10% NZ fixed interest ▶ 10% International fixed interest ▶ 20% Income assets ▶ 26% Australasian equities ▶ 44% International equities ▶ 10% Listed property ▶ 80% Growth assets 	<p>Lower risk Higher risk *</p> <p>Potentially lower return Potentially higher return</p> <p>1 2 3 4 5 6 7</p>
40 years	<ul style="list-style-type: none"> ▶ 10% NZ fixed interest ▶ 10% International fixed interest ▶ 20% Income assets ▶ 26% Australasian equities ▶ 44% International equities ▶ 10% Listed property ▶ 80% Growth assets 	<p>Lower risk Higher risk *</p> <p>Potentially lower return Potentially higher return</p> <p>1 2 3 4 5 6 7</p>
50 years	<ul style="list-style-type: none"> ▶ 12.5% NZ fixed interest ▶ 12.5% International fixed interest ▶ 25% Income assets ▶ 25% Australasian equities ▶ 41% International equities ▶ 9% Listed property ▶ 75% Growth assets 	<p>Lower risk Higher risk *</p> <p>Potentially lower return Potentially higher return</p> <p>1 2 3 4 5 6 7</p>
60 years	<ul style="list-style-type: none"> ▶ 12.5% Cash and cash equivalents ▶ 15% NZ fixed interest ▶ 15% International fixed interest ▶ 19% Australasian equities ▶ 31.5% International equities ▶ 7% Listed property ▶ 57.5% Growth assets 	<p>Lower risk Higher risk *</p> <p>Potentially lower return Potentially higher return</p> <p>1 2 3 4 5 6 7</p>
70 years	<ul style="list-style-type: none"> ▶ 20% Cash and cash equivalents ▶ 20% NZ fixed interest ▶ 20% International fixed interest ▶ 13% Australasian equities ▶ 22% International equities ▶ 5% Listed property ▶ 40% Growth assets 	<p>Lower risk Higher risk *</p> <p>Potentially lower return Potentially higher return</p> <p>1 2 3 4 5 6 7</p>
80 years	<ul style="list-style-type: none"> ▶ 30% Cash and cash equivalents ▶ 30% NZ fixed interest ▶ 30% International fixed interest ▶ 3% Australasian equities ▶ 6% International equities ▶ 1% Listed property ▶ 10% Growth assets 	<p>Lower risk Higher risk *</p> <p>Potentially lower return Potentially higher return</p> <p>1 2 3 4 5 6 7</p>

* Market index returns (as well as actual returns) have been used to complete the risk indicators for SuperLife^{Income}, SuperLife⁸⁰ and SuperLife¹⁰⁰, as these funds have not been in existence for 5 years. Market index returns (as well as actual returns) have also been used to complete the risk indicators for SuperLife^{Age Steps}, as each step invests in SuperLife^{Income} and SuperLife¹⁰⁰ (together with the NZ Cash Fund). As a result, the risk indicators may provide a less reliable indicator of the potential future volatility of these investment options. The risk indicators for SuperLife^{Income}, SuperLife⁸⁰ and SuperLife¹⁰⁰ use 1 year of market index returns.



The Statement of Investment Policy and Objectives (**SIPO**) for the Scheme sets out the investment policies and objectives for the Scheme. The SIPO also sets out the target investment mix and investment mix ranges (minimum and maximum limits) for each fund. We may change the SIPO at any time, but will give you at least 30 days' notice of any change that is expected to have a material effect on you.

The SIPO is available at www.superlife.co.nz. Material changes to the SIPO will be described in the Scheme's annual report.

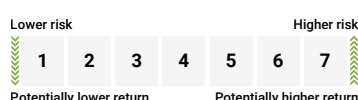
Further information about the assets in each investment option can be found in the fund updates at www.superlife.co.nz.



4. What are the risks of investing?

Understanding the risk indicator

Managed funds in New Zealand must have a standard risk indicator. The risk indicator is designed to help investors understand the uncertainties both for loss and growth that may affect their investment. You can compare funds using the risk indicator.



See section 3 for the risk indicators which have been calculated for each of the investment options described in this product disclosure statement.

The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the investment option's assets goes up and down (volatility). 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 (described under the heading 'Other specific risks') that are not captured by this rating.

This risk indicator is not a guarantee of an investment option's future performance. The risk indicator is based on the returns data for 5 years to 30 September 2017. While risk indicators are usually relatively stable, they do shift from time to time. You can see the most recent risk indicator in the latest fund update for each of the investment options.

General investment risks

When you invest, there is always a risk that the outcome is not what you expected or hoped for. This could be because: (a) the return on your investment was negative or low; or (b) your chosen investment strategy was not always suited to your goals.

Some of the things that may cause a fund's value to move up and down, which affect the risk indicator, are:

- ▶ **Market risk:** The risk that a market or a sector of a market that a fund invests in declines.
- ▶ **Individual financial product risk:** The risk that changes in the financial condition or credit rating of an issuer of a financial product causes the value of a financial product held by a fund to decline.
- ▶ **Liquidity risk:** The risk that an investment is difficult to buy or sell and a fund suffers a loss as a result.
- ▶ **Currency risk:** The risk that changes in exchange rates cause the value of an international investment to reduce.
- ▶ **Credit risk:** The risk that issuers of fixed interest or cash investments do not pay interest and/or capital repayments when these are due.
- ▶ **Interest rate risk:** The risk that interest rates rise and the value of investments (in particular, fixed interest and cash investments) reduce.



Other specific risks

There are other risks that may affect returns for investors, which are not reflected in the risk indicator. These risks include investment management risk. In particular, while the Scheme's investment philosophy is that a passive approach to investing will deliver better long-term results, we make some active management decisions (largely around the proportions of the asset classes that make up each fund's investment mix). There is a risk that this may result in a fund achieving a return that is lower than the investment objective for the fund.

See the 'Other Information' document on the offer register at www.business.govt.nz/disclose for further information about the risks of investing in the Scheme.



5. What are the fees?

You will be charged fees for investing in the Scheme. Fees are deducted from your investment and will reduce your returns. If we invest in other funds, those funds may also charge fees. The fees you pay will be charged in two ways:

- ▶ regular charges (for example, fund charges). Small differences in these fees can have a big impact on your investment over the long term; and
- ▶ one-off fees (for example, a transfer fee).

These are as follows:

Funds		
Fund	Estimated fund charges (% per annum of the fund's net asset value)	Other charges and individual action fees
NZ Cash Fund	0.42%	Administration fee - \$12 a year (regardless of the number of investment options you invest in, or the number of times you change investment options). Paper statements fee - \$18 a year (you will only be charged this fee if you choose to receive statements and other SuperLife communications in paper form). Transfer fee - \$50 for each transfer (you will only be charged this fee if the PDS Supplement allows you to transfer money from your accounts to a KiwiSaver scheme and the transfer is to a KiwiSaver scheme other than the SuperLife KiwiSaver scheme).
SuperLife ^{Income}	0.45%	
SuperLife ³⁰	0.46%	
Ethica	0.59%	
SuperLife ⁶⁰	0.49%	
SuperLife ⁸⁰	0.50%	
SuperLife ¹⁰⁰	0.52%	
SuperLife ^{Age Steps}		
Investor's age	Estimated fund charges (% per annum of the fund's net asset value)	
20 years	0.52%	
30 years	0.51%	
40 years	0.51%	
50 years	0.50%	
60 years	0.49%	
70 years	0.47%	
80 years	0.45%	



The fund charges set out on page 15 are deducted from, and reflected in the value of, the fund. The fund charges include the fees and costs charged by the supervisor and custodian (together with the fees and costs charged by any other funds we invest in). They also include our regulatory and compliance costs. Some of these costs are not fixed, so the fund charges set out on page 15 include an estimate of these costs.

The administration fee is deducted from your account balance at \$1 each month.

The paper statements fee (if applicable) is deducted from your account balance at \$1.50 each month.

The transfer fee is deducted from your account balance. We do not charge any other fees on an individual basis for investor-specific decisions or actions.

We may deduct costs that relate to the Scheme that arise outside the ordinary course of business from a fund (although such occasions are likely to be rare).

Example of how fees apply to an investor

Brett invests \$10,000 in SuperLife⁸⁰. He is charged fund charges, which work out to about \$50 (0.50% of \$10,000). These fees might be more or less if his account balance has increased or decreased over the year.

Over the next year, Brett pays other charges of \$12 (Brett receives statements and other SuperLife communications electronically and was not charged the paper statements fee).

Estimated total fees for the first year

Fund charges: \$50

Other charges: \$12

See the latest fund update for SuperLife⁸⁰ for an example of the actual returns and fees investors were charged over the past year.

This example applies only to SuperLife⁸⁰. If you are considering investing in other investment options in the Scheme, this example may not be representative of the actual fees you may be charged.

The fees can be changed

We may change the fees and charges payable by an investor at any time. Where we increase a fee or charge, we will give you notice of the change.

We must publish a fund update for each investment option showing the fees and charges actually charged during the most recent year. Fund updates, including past updates, are available at www.superlife.co.nz.



6. What taxes will you pay?

The Scheme is a portfolio investment entity (PIE). The amount of tax you pay is based on your prescribed investor rate (**PIR**). To determine your PIR, go to www.ird.govt.nz/toii/pir. If you are unsure of your PIR, we recommend you seek professional advice or contact the Inland Revenue Department. It is your responsibility to tell us your PIR when you invest or if your PIR changes. If you do not tell us, a default rate may be applied. If the advised PIR is lower than the correct PIR, you will need to complete a personal tax return and pay any tax shortfall, interest and penalties. If the default rate or the advised PIR is higher than the correct PIR, you will not get a refund of any overpaid tax.



7. Who is involved?

About the manager

Smartshares Limited is a fund manager. It offers New Zealand's broadest range of passive funds and is a wholly-owned subsidiary of NZX Limited.

Our contact details are:

Smartshares Limited
PO Box 105262
Auckland 1143

Telephone: 0800 27 87 37

Email: superlife@superlife.co.nz

Who else is involved?

	Name	Role
Supervisor	Public Trust	Supervises our operations to protect the interests of investors.
Custodian	Public Trust (acting through its nominee company, SuperLife Nominees Limited)	Holds the Scheme's assets on behalf of investors.



8. How to complain

Manager

Complaints about your investment or the Scheme can be made to us at:

Complaints – SuperLife
Smartshares Limited
PO Box 105262
Auckland 1143

Telephone: 0800 27 87 37
Email: superlife@superlife.co.nz

Supervisor

If you make a complaint to us, and the complaint cannot be resolved, you may refer it to the supervisor at:

Complaints
Public Trust
PO Box 1598
Shortland Street
Auckland 1140

Telephone: 0800 371 471
Email: cts.enquiry@trustee.co.nz

Independent dispute resolution scheme

We are a member of the Financial Services Complaints Limited Scheme (the supervisor is also a member), which is an independent dispute resolution scheme. If you make a complaint to us (or the supervisor), and the complaint cannot be resolved, you may refer it to Financial Services Complaints Limited at:

Financial Services Complaints Limited
PO Box 5967
Wellington 6140

Telephone: 0800 347 257
Email: complaints@fscl.org.nz

The Financial Services Complaints Limited Scheme will not charge you a fee to investigate or resolve a complaint.



9. Where you can find more information

Further information relating to the Scheme and investment options, including financial statements, annual reports, fund updates and the SIPO, is available on the offer register and the scheme register at www.business.govt.nz/disclose. A copy of the information on the offer register or scheme register is available on request to the Registrar of Financial Service Providers.

The information set out above is available at www.superlife.co.nz or by contacting us. You can obtain an estimate of the value of your investment online or via a phone app or by contacting us. This information is available free of charge. See section 7 for our contact details.

You will be sent annual tax statements, which will include the amount of PIE income attributed to you and the amount of PIE tax paid at your PIR.

You can obtain general information about the Scheme and investment options at www.superlife.co.nz.

The PDS Supplement is also available by contacting us. See section 7 for our contact details.



10. How to apply

To invest in the Scheme, you can complete the application form attached to the PDS Supplement and send it to us.