

SuperLife UK pension transfer scheme

Product Disclosure Statement

Offer of membership of the
SuperLife UK pension transfer 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.



1. Key information summary

This is a replacement product disclosure statement. It replaces the product disclosure statement dated 2 November 2016.

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.

To join the SuperLife UK pension transfer scheme (**Scheme**), you must be looking to transfer money into the Scheme from a UK pension scheme.

What will your money be invested in?

The SuperLife UK pension transfer scheme (**Scheme**) has 40 funds and SuperLife^{Age Steps}. These investment options are as follows:

- ▶ **SuperLife^{Age Steps}**: A life cycle investment option where the mix of income and growth assets is 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.
- ▶ **Managed funds**: A series of funds that provide a range of risk-return profiles. The funds invest in a mix of the sector and ETF funds (except for Ethica, which invests directly in income and growth assets). It is your responsibility to choose a managed fund, and to change the managed fund if your risk-return profile changes.
- ▶ **Sector and ETF funds**: A series of 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. It is your responsibility to choose the mix of the sector and ETF funds, and to change the sector and ETF funds if your investment strategy changes.

You also have the flexibility to combine the investment options.

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?

You can withdraw your investment in accordance with the UK's rules for Recognised Overseas Pension Schemes (**ROPS**). These rules allow you to make withdrawals from the minimum pension age in the UK (currently age 55). You may be able to make an early withdrawal if you suffer ill-health. See section 2 for more information.

How will your investment be taxed?

The Scheme is not a portfolio investment entity. See section 6 for more information about the amount of tax you pay.

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 actually charged to investors, during the previous year. The latest fund updates are available at www.superlife.co.nz. We will 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	Fund charges (% per annum of the fund's net asset value)
UK Cash Fund	100%	–	Designed to reflect the return on the UK cash market, including the impact of foreign currency movements. Invests almost entirely in UK cash.		0.44%
SuperLife ^{Income}	100%	–	Invests in income assets. Designed for investors that want a "defensive" investment option that invests in New Zealand and international fixed interest. Negative annual returns may occur once in every 7 – 10 years on average.		0.50%
SuperLife ³⁰	70%	30%	Invests mostly in income assets, with a small amount of growth assets. Designed for investors that want a "conservative" investment option. Negative annual returns may occur once in every 7 – 10 years on average.		0.51%
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.		0.64%
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.		0.54%
SuperLife ⁸⁰	20%	80%	Invests mostly in growth assets, with a small amount of income assets. Designed for investors that want a "growth" investment option. Negative annual returns may occur once in every 3 – 5 years on average.		0.55%
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.		0.57%



SuperLife^{Age Steps}

SuperLife^{Age Steps} automatically adjusts the proportion of your investment in income and growth assets depending 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	Fund charges (% per annum of the fund's net asset value)
20 years	4%	96%		0.57%
30 years	20%	80%		0.56%
40 years	20%	80%		0.56%
50 years	25%	75%		0.55%
60 years	42.5%	57.5%		0.54%
70 years	60%	40%		0.52%
80 years	90%	10%		0.50%

* Market index returns (as well as actual returns) have been used to complete the risk indicators for the UK Cash Fund, SuperLife^{Income}, SuperLife³⁰, Ethica, SuperLife⁶⁰, 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 and 6 months of market index returns and the risk indicators for the UK Cash Fund, SuperLife³⁰, Ethica and SuperLife⁶⁰ use 4 months of market index returns.

The Scheme has an administration fee. The cost to you is \$60 a year (regardless of the number of investment options you choose to invest in, or the number of times you change your investment options). It is deducted at \$5 each month.

The Scheme has an entry fee. You will be charged this fee when you transfer money into the Scheme from a UK pension scheme. The fee is up to 1% of the amount transferred or \$500 (whichever is greater).

The Scheme has an exit fee. You will be charged this fee if you transfer your investment from the Scheme to a UK pension scheme or another ROPS. The fee is up to 1% of the amount transferred or \$500 (whichever is greater).

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 Cash Fund

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

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}**: A life cycle investment option where the mix of income and growth assets is 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.
- ▶ **Managed funds**: A series of funds that provide a range of risk-return profiles. The funds invest in a mix of the sector and ETF funds (except for Ethica, which invests directly in income and growth assets). It is your responsibility to choose a managed fund, and to change the managed fund if your risk-return profile changes.
- ▶ **Sector and ETF funds**: A series of 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. It is your responsibility to choose the mix of the sector and ETF funds, and to change the sector and ETF funds if your investment strategy changes.

You also have the flexibility to combine the investment options.

The Scheme's philosophy, which underpins how we implement the investment strategy for each investment option, is:

- ▶ **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 logical for market conditions, and for the long term. All decisions must be cost effective – the return to you is improved by the careful management of costs.
- ▶ **Diversification**: 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 superannuation scheme under the Financial Markets Conduct Act 2013. The Scheme is also a ROPS. A ROPS is an overseas pension scheme that meets certain requirements set by Her Majesty's Revenue and Customs (the department of the UK Government responsible for the collection of taxes). A ROPS can receive transfers of UK pension benefits, without incurring unauthorised payment charges (which are charged by Her Majesty's Revenue and Customs when payments from UK pension schemes are outside UK tax rules).

To protect the interests of investors, the Scheme's investments are held by independent custodians, 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.

Your money goes into an investment account in your name. This account is invested in one or more of the investment options chosen by you.

As an investor, you have an interest in the Scheme overall and the funds you are invested in. 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.



Joining the Scheme

To join the Scheme, you must be looking to transfer money into the Scheme from a UK pension scheme. You can apply by completing an application form (which is available by emailing us at ukpensions@superlife.co.nz or by calling us on 0800 27 87 37) and providing it to us.

Making investments

You can invest by transferring money into the Scheme from a UK pension scheme. You cannot make further payments to the Scheme.

A UK overseas transfer charge of 25% of the transfer amount will apply if you are not a New Zealand tax resident when you transfer money to the Scheme from a UK pension scheme.

However, even if the transfer is not subject to the UK overseas transfer charge when first made, that charge may be triggered later if, within five UK tax years after the original transfer, you cease to be a New Zealand tax resident and you leave your money in the Scheme.

You should seek UK and New Zealand tax advice before transferring UK pension scheme money to the Scheme.

Your money will be invested in the investment options you have chosen.

Withdrawing your investments

You can only withdraw your investments in accordance with the UK's rules for ROPS. Currently, these rules allow you to withdraw the full amount of your investments (including any growth in value) by making regular or lump sum withdrawals, or by withdrawing the full amount, in the following circumstances:

- ▶ at any time after reaching the minimum pension age in the UK (currently age 55);
- ▶ if you suffer physical or mental ill-health and we are provided with satisfactory medical evidence that you are unable to carry on your job because of that ill-health; or

- ▶ if you suffer serious ill-health and we are provided with satisfactory medical evidence that your life expectancy is less than a year.

UK tax charges

Up to 25% of the original transfer amount (and any growth in value) can be paid tax free when you withdraw your investment at or after age 55 or due to ill-health resulting in early retirement, but (depending on your tax residency) UK tax may be payable on the balance. You should seek UK and New Zealand tax advice before withdrawing any of your investment in either circumstance. Based on current law, if you are a New Zealand tax resident at the time of withdrawal, then it is unlikely you will be liable to pay any UK tax on the withdrawal.

Any withdrawal that is not in accordance with the UK's rules for ROPS may incur UK tax charges if:

- ▶ you have been a UK tax resident at any time within the current or the preceding ten UK tax years when you make the withdrawal; or
- ▶ the original transfer out of a UK pension scheme occurred within five years before the withdrawal.

Given that the Scheme only allows withdrawals that are permitted under the UK's rules for ROPS, these UK tax charges are unlikely to apply to any withdrawal.

If you die, we will pay your investment to your personal representatives (the executors or administrators of your estate), or to the persons you have nominated as beneficiaries. Withdrawals may also be required by law (for example, if a court orders the release of money from your SuperLife accounts).

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 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 managed 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).

Each of the managed funds target specific risk and return outcomes and will be appropriate for a particular investor type. 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.

Managed funds		
Description, investment objective and target investment mix	Risk indicator	Minimum suggested investor timeframe
<p>UK Cash Fund</p> <p>www.sorted.org.nz fund type: DEFENSIVE</p> <p>Designed to reflect the return on the UK cash market, including the impact of foreign currency movements. Invests almost entirely in UK cash.</p> <ul style="list-style-type: none"> ► 100% Cash and cash equivalents ► 100% Income assets 	<p>Lower risk</p> <p>1 2 3 4 5 6 7</p> <p>Potentially lower return Potentially higher return</p>	5 years
<p>SuperLife^{Income}</p> <p>www.sorted.org.nz fund type: DEFENSIVE</p> <p>Invests in income assets. Designed for investors that want an investment that invests in New Zealand and international fixed interest. Negative annual returns may occur once in every 7 – 10 years on average.</p> <ul style="list-style-type: none"> ► 50% NZ fixed interest ► 50% International fixed interest ► 100% Income assets 	<p>Lower risk</p> <p>1 2 3 4 5 6 7</p> <p>Potentially lower return Potentially higher return</p>	5 years
<p>SuperLife³⁰</p> <p>www.sorted.org.nz fund type: CONSERVATIVE</p> <p>Invests mostly in income assets, with a small amount of growth assets. Negative annual returns may occur once in every 7 – 10 years on average.</p> <ul style="list-style-type: none"> ► 5% Cash and cash equivalents ► 32.5% NZ fixed interest ► 32.5% International fixed interest ► 70% Income assets ► 11% Australasian equities ► 14% International equities ► 5% Listed property ► 30% Growth assets 	<p>Lower risk</p> <p>1 2 3 4 5 6 7</p> <p>Potentially lower return Potentially higher return</p>	6 years



Managed funds		
Description, investment objective and target investment mix	Risk indicator	Minimum suggested investor timeframe
<p>Ethica</p> <p>www.sorted.org.nz fund type: BALANCED</p> <p>Invests in a mix of income and growth assets. A socially responsible fund which excludes assets that do not meet the fund's 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 	<p>Lower risk</p> <p>1 2 3 4 5 6 7</p> <p>Potentially lower return Potentially higher return</p> <p>Higher risk*</p>	8 years
<p>SuperLife⁶⁰</p> <p>www.sorted.org.nz fund type: BALANCED</p> <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 	<p>Lower risk</p> <p>1 2 3 4 5 6 7</p> <p>Potentially lower return Potentially higher return</p> <p>Higher risk*</p>	8 years
<p>SuperLife⁸⁰</p> <p>www.sorted.org.nz fund type: GROWTH</p> <p>Invests mostly in growth assets, with a small amount of income 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 	<p>Lower risk</p> <p>1 2 3 4 5 6 7</p> <p>Potentially lower return Potentially higher return</p> <p>Higher risk*</p>	9 years
<p>SuperLife¹⁰⁰</p> <p>www.sorted.org.nz fund type: AGGRESSIVE</p> <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 	<p>Lower risk</p> <p>1 2 3 4 5 6 7</p> <p>Potentially lower return Potentially higher return</p> <p>Higher risk*</p>	10 years



SuperLife^{Age Steps}

SuperLife^{Age Steps} automatically adjusts the proportion of your investment in income and growth assets depending 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>Potentially lower return Potentially higher return</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>Potentially lower return Potentially higher return</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>Potentially lower return Potentially higher return</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>Potentially lower return Potentially higher return</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>Potentially lower return Potentially higher return</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>Potentially lower return Potentially higher return</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>Potentially lower return Potentially higher return</p>

* Market index returns (as well as actual returns) have been used to complete the risk indicators for the UK Cash Fund, SuperLife^{Income}, SuperLife³⁰, Ethica, SuperLife⁶⁰, 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 and 6 months of market index returns and the risk indicators for the UK Cash Fund, SuperLife³⁰, Ethica and SuperLife⁶⁰ use 4 months 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.

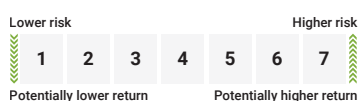
Further information about the assets in each investment option can be found in the fund updates at www.superlife.co.nz.



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 31 March 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 increase the risk to returns for investors, which are not reflected in the risk indicator. These risks include:

- ▶ **Investment management risk:** While the Scheme's 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.
- ▶ **ROPS risk:** There is a risk that UK tax law changes and as a result the Scheme loses its ROPS status. There is also a risk that the UK's rules for ROPS change. 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 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, entry and exit fees).

These are as follows:

Funds		
Fund	Fund charges (% per annum of the fund's net asset value)	Other charges and individual action fees
UK Cash Fund	0.44%	<p>The Scheme has an administration fee. The cost to you is \$60 a year (regardless of the number of investment options you invest in, or the number of times you change investment options). It is deducted at \$5 each month.</p> <p>The Scheme has an entry fee. You will be charged this fee when you transfer money into the Scheme from a UK pension scheme. The fee is up to 1% of the amount transferred or \$500 (whichever is greater).</p> <p>The Scheme has an exit fee. You will be charged this fee if you transfer your investment from the Scheme to a UK pension scheme or another ROPS. The fee is up to 1% of the amount transferred or \$500 (whichever is greater).</p>
SuperLife ^{Income}	0.50%	
SuperLife ³⁰	0.51%	
Ethica	0.64%	
SuperLife ⁶⁰	0.54%	
SuperLife ⁸⁰	0.55%	
SuperLife ¹⁰⁰	0.57%	
SuperLife ^{Age Steps}		
Investor's age	Fund charges (% per annum of the fund's net asset value)	
20 years	0.57%	
30 years	0.56%	
40 years	0.56%	
50 years	0.55%	
60 years	0.54%	
70 years	0.52%	
80 years	0.50%	



The fund charges set out on page 16 are deducted from, and reflected in the value of, the fund. The fund charges include the fees and costs charged by the supervisor and custodians (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 16 include an estimate of these costs.

The administration fee is deducted from your account balance each month. The entry fee is deducted from the amount transferred into the Scheme from a UK pension scheme. The exit fee is deducted from the amount transferred from the Scheme to a UK pension scheme or another ROPS.

We do not charge any other fees on an individual basis for investor-specific decisions or actions.

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 Scheme.

Example of how fees apply to an investor

Brett invests \$10,000 in SuperLife⁸⁰. He is charged fund charges, which work out to about \$55 (0.55% 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 \$60.

Estimated total fees for the first year

Fund charges: \$55

Other charges: \$60

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 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 amount of tax that the Scheme pays on the taxable income attributed to your account is calculated at the rate of 28%. As a result, even if the rate of tax payable by the Scheme is higher than your marginal rate, you will not get a refund of any of the tax paid by the Scheme.

Tax can have significant consequences for investments. If you have any queries relating to the tax consequences of investing in the Scheme, you should obtain professional advice on those consequences.



7. Who is involved?

About the manager

Smartshares Limited is a managed investment scheme 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: ukpensions@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: ukpensions@superlife.co.nz

Supervisor

Complaints can also be made to the supervisor at:

Complaints
Public Trust
PO Box 1598
Shortland Street
Auckland 1140

Telephone: (09) 985 5300
Email: 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.



10. How to apply

To invest in the Scheme, you can complete an application form (which is available by emailing us at ukpensions@superlife.co.nz or by calling us on 0800 27 87 37) and send it to us.