



**SUPERLIFE**

a Member of the NZX Group

# STATEMENT OF INVESTMENT POLICY AND OBJECTIVES (SIPO)



**SuperLife Invest**

20 December 2024



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## 1. Description of the Scheme

SuperLife Invest (**Scheme**) is a managed investment scheme under the Financial Markets Conduct Act 2013. The Scheme is managed by Smartshares Limited (**Smartshares**).

## 2. Investment philosophy

Smartshares' investment philosophy is based on the following key beliefs:

- Most markets and asset classes are efficient, meaning there is limited opportunity for fund managers to provide above market returns after fees and other expenses.
- Based on academic evidence, asset allocation is the single most important factor in determining long-term investment returns.
- Diversification is the best way to manage the risk that a combination of assets within a portfolio fails to meet its investment objectives.

Smartshares aims to provide a comprehensive range of funds that can be used by individuals, companies, financial advisers and institutions. Most of these funds are designed to track market indices. These range from traditional market capitalisation weighted indices to customised indices that target or exclude a particular sector, industry or specific securities.

Smartshares recognises that in some markets the predominant index may not provide an efficient exposure. In these circumstances, it will use a systematic approach to manage a portfolio or select an external manager to meet the objective of the fund.

Smartshares recognises that environmental, social and governance (ESG) risk can impact investment performance, and that some investors prefer funds that integrate ESG factors into the selection of investments and external managers.

## 3. Investment options

The Scheme has a range of investment options.

### A. Age Steps

SuperLife Age Steps is an investment option where the mix of income and growth assets is automatically set based on the investor's age. As an investor gets older, the proportion of the investor's investment in growth assets will be reduced, lowering the expected size of the ups and downs in the value of the investor's investment.

SuperLife Age Steps invests in the NZ Cash Fund (a sector fund), the SuperLife Income Fund and the SuperLife High Growth Fund (both diversified funds).

The mix of the NZ Cash Fund, the SuperLife Income Fund and the SuperLife High Growth Fund from under age 18 to age 100 is set out in schedule 1 of this SIPO.

### B. Diversified funds

The diversified funds provide a range of risk-return profiles. The funds invest in a mix of the main investment asset classes of cash, fixed interest, shares and property. If an investor invests in a diversified fund, it's up to the investor to change funds if the investor's risk-return profile changes.



## C. Ethical fund

The Ethica Fund provides exposure to a mix of global companies and income assets that align with Smartshares' Responsible Investment Policy.

Our Responsible Investment Policy takes into account environmental, social and governance (ESG) factors. In summary this involves:

- Excluding investment in companies or assets that do not meet our socially responsible investment standards (e.g. companies involved in tobacco, alcohol, military weapons, factory farming and coal mining)
- ESG screening to reduce investment based on ESG factors (e.g. reduce investment in companies with high greenhouse gas emissions)
- Increasing investment in companies with superior ESG factors (e.g. companies that sustainably manage their impact on the environment)

We expect the incorporation of ESG factors will provide investors with a long-term return that is broadly comparable to similar funds that do not have ESG considerations, for a similar level of market risk.

More information on our ethical fund and the use of SRI exclusions and ESG screening can be found in Schedule 7, and within our Responsible Investment Policy available from [superlife.co.nz/responsible-investing-home](http://superlife.co.nz/responsible-investing-home).

## D. Guest manager fund

The guest manager fund is a fund that invests in an external fund that is actively managed by another manager.

## E. Sector funds

The sector funds are a range of funds invested in New Zealand, Australian and international markets that an investor can use to set the investor's own investment strategy. Each sector fund invests in one of the main investment asset classes of cash, fixed interest, shares and property. If an investor invests in the sector funds, it's up to the investor to change funds if the investor's investment strategy changes.

## F. Wholesale funds

The wholesale funds are available to other SuperLife managed investment schemes and investors in selected Pacific countries and territories.

# 4. Investment objective

Each fund has an investment objective. These are set out in the schedules to this SIPO.

# 5. Investment policies

## A. Derivatives

A derivative is a financial product with a value that is reliant upon or derived from an underlying asset or group of assets.

Each fund that uses derivatives has a derivatives policy. These are set out in the schedules to this SIPO.



## B. Hedging

### Purpose of currency hedging

When we buy foreign assets for a fund, the fund also gains foreign currency exposure. The risk that the foreign currency moves up or down relative to the NZ dollar is referred to as currency risk. This risk can be mitigated by offsetting or hedging part or all of the underlying currency exposure within a portfolio.

Our currency hedging is managed using the following methods:

1. **In-house** managed currency overlay using forward foreign exchange contracts.
2. **Outsourced** currency management by a third-party manager.
3. **Investment into** a mix of funds that are New Zealand dollar hedged and unhedged.

### Hedging strategy

#### **Diversified funds**

Smartshares implements a dynamic hedging strategy for the diversified funds. This means that as the actual hedging level changes over time due to cashflows and market movements, adjustments are made to bring the currency hedging back to the target level. The hedging levels within each fund are monitored on an ongoing basis and adjusted at the discretion of the portfolio manager within an allowable range between 0% and 120%.

#### **Sector funds**

Target hedging levels are adopted in respect of each of the sector funds. The actual hedging level may vary from the target over time due to cashflows and market movements. Adjustments are subsequently made to bring the currency hedging back to the target level.

The table below outlines the benchmark hedging level for each asset class within our diversified funds.

### Diversified funds currency hedging

Asset Class	Benchmark Hedging Level
Cash and cash equivalents	No foreign currency exposure
New Zealand fixed interest	No foreign currency exposure
International fixed interest	100%
Australasian equities*	50%
International equities	50% Developed Markets 0% Emerging Markets
Listed property	100%
Other	100%

\*The currency hedging only applies to Australian equities.



Each fund that has foreign currency exposure may have an overall target hedging level. For the diversified funds, the overall level is based on the benchmark hedging level for each asset class above. We may change the target hedging level at any time within a specified range. The overall target hedging level and permitted range for each fund are set out in the schedules to this SIPO.

You can find each fund's current hedging level in the fund updates available at [superlife.co.nz/legal](https://superlife.co.nz/legal).

### **C. Securities lending**

Securities lending is typically entered into when a financial institution (**borrower**) does not have sufficient financial products to complete a sale that it has agreed to, and therefore borrows financial products from a fund to meet its obligations. After completion of the sale, the borrower returns replacement financial products to the fund, together with an amount equal to any dividends that may have become payable over the loan period and a securities lending fee.

Each fund has a securities lending policy. These are set out in the schedules to this SIPO.

### **D. Responsible investment**

Our Responsible Investment Policy, which sets out our approach to responsible investing, is available at [superlife.co.nz/responsible-investing-home](https://superlife.co.nz/responsible-investing-home).

## **6. Investment performance monitoring and reporting**

The Scheme's investment performance is monitored at the following times:

- every month, Smartshares prepares investment performance reports and provides them to Smartshares' Chief Investment Officer;
- every three months, Smartshares prepares investment performance reports and provides them to Smartshares' Investment Oversight Committee; and
- every three months, Smartshares' Investment Oversight Committee reports to Smartshares' Board. The investment performance reports are also provided to Smartshares' Board

Investment performance is monitored on a daily basis, and also over one-month, three-month, one-year, three-year and five-year periods.

Absolute performance, performance relative to a fund's benchmark and performance relative to peer averages is monitored.

The Ethica Fund is monitored on a quarterly basis and reviewed annually to ensure it adheres to our Responsible Investment Policy. The monitoring focuses on ESG performance and incorporation of ESG factors compared to equivalent ESG funds.



## 7. Investment strategy review

Smartshares' Investment Oversight Committee reviews the Scheme's investment strategy annually and undertakes an ad hoc review of the Scheme's investment strategy if:

- changes to market conditions necessitate changes to either: (1) the nature or types of investments that can be made and any limits on those; and/or (2) any limits on the proportions of each type of asset invested in; or
- Smartshares' Board instructs Smartshares' Investment Oversight Committee to review the Scheme's investment strategy.

Smartshares' Investment Oversight Committee considers management's recommendations in respect of any proposed changes to the Scheme's investment strategy.

Smartshares' Investment Oversight Committee reports to Smartshares' Board as to the outcome of its review, together with any proposed changes to the Scheme's investment strategy.

Smartshares' Board considers Smartshares' Investment Oversight Committee's report and may approve any changes to the Scheme's investment strategy.

## 8. SIPO review

Smartshares' Investment Oversight Committee reviews this SIPO annually and undertakes an ad hoc review of this SIPO if:

- changes to the law or the Financial Markets Authority's guidance necessitate changes to this SIPO;
- Smartshares' Board instructs Smartshares' Investment Oversight Committee to review this SIPO; or
- changes to the Scheme's investment strategy (made as part of an ad hoc review of investment strategy) necessitate changes to this SIPO.

Smartshares' Investment Oversight Committee considers management's recommendations in respect of any proposed changes to this SIPO.

Smartshares' Investment Oversight Committee reports to Smartshares' Board as to the outcome of its review, together with any proposed changes to this SIPO.

Smartshares' Board considers Smartshares' Investment Oversight Committee's report and may approve any changes to this SIPO.

Changes to the SIPO can only be made following consultation with the supervisor.



## Schedules

### AGE STEPS

#### Schedule 1 – SuperLife Age Steps

The mix of income and growth assets from under age 18 to age 100 is set out below.

Member age	NZ Cash Fund	SuperLife High Growth Fund	SuperLife Income Fund
<18	-	100%	-
18	-	100%	-
19	-	98%	2%
20	-	96%	4%
21	-	94%	6%
22	-	92%	8%
23	-	90%	10%
24	-	88%	12%
25	-	86%	14%
26	-	84%	16%
27	-	82%	18%
28	-	80%	20%
29	-	80%	20%
30	-	80%	20%
31	-	80%	20%
32	-	80%	20%
33	-	80%	20%
34	-	80%	20%

35	-	80%	20%
36	-	80%	20%
37	-	80%	20%
38	-	80%	20%
39	-	80%	20%
40	-	80%	20%
41	-	80%	20%
42	-	80%	20%
43	-	80%	20%
44	-	80%	20%
45	-	80%	20%
46	-	79%	21%
47	-	78%	22%
48	-	77%	23%
49	-	76%	24%
50	-	75%	25%
51	-	73%	27%
52	-	71%	29%
53	-	69%	31%
54	-	67%	33%



55	-	65%	35%
56	-	64%	36%
57	-	62%	38%
58	-	61%	39%
59	-	59%	41%
60	-	58%	42%
61	-	56%	44%
62	-	54%	46%
63	-	53%	47%
64	-	52%	48%
65	-	50%	50%
66	-	48%	52%
67	-	46%	54%
68	-	44%	56%
69	-	42%	58%
70	-	40%	60%
71	-	38%	62%
72	-	36%	64%
73	-	34%	66%
74	-	32%	68%
75	-	30%	70%
76	-	26%	74%
77	-	22%	78%

78	-	18%	82%
79	-	14%	86%
80	-	10%	90%
81	-	8%	92%
82	-	6%	94%
83	-	4%	96%
84	-	2%	98%
85	5%	-	95%
86	10%	-	90%
87	15%	-	85%
88	20%	-	80%
89	25%	-	75%
90	32%	-	68%
91	46%	-	54%
92	60%	-	40%
93	73%	-	27%
94	87%	-	13%
95	100%	-	0%
96	100%	-	0%
97	100%	-	0%
98	100%	-	0%
99	100%	-	0%
100	100%	-	0%



## DIVERSIFIED FUNDS

### Schedule 2 – SuperLife Income Fund

#### Investment objective

Designed for investors that want an investment in New Zealand and international fixed interest.

#### Investment strategy

Purpose	Asset class	Target	Range	Market index
Income	Cash and cash equivalents	20%	0% - 100%	S&P/NZX Bank Bills 90-Day Total Return Index
	New Zealand fixed interest	30%	0% - 70%	50% S&P/NZX A-Grade Corporate Bond Total Return Index 50% S&P/NZX NZ Government Bond Total Return Index
	International fixed interest	50%	0% - 70%	Bloomberg Global Aggregate Total Return Index Hedged NZD
	<b>Total</b>	<b>100%</b>	<b>100%</b>	

Smartshares may from time to time rebalance the fund so that its actual asset allocation is consistent with its target asset allocation.

#### Permitted investments

The fund may invest in the following assets:

- listed financial products;
- tradeable debt securities;
- any fund in the Smart Exchange Traded Funds or other managed investment scheme managed by Smartshares;
- any fund managed by a third party; and
- cash and cash equivalents.

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term investments (and funds that primarily invest in cash and cash equivalents).

#### Derivatives

The fund may use derivatives to gain exposure to assets that are consistent with the permitted investments set out above or to manage foreign currency exposures. The fund may not use derivatives to lever the fund.

The minimum over-the-counter derivative counterparty rating is A- issued by Standard & Poor's Financial Services LLC (**Standard & Poor's**), or its equivalent issued by Moody's Investor Services (**Moody's**) or Fitch Ratings (**Fitch**).



If a counterparty has multiple credit ratings, Smartshares will use the highest credit rating of Standard & Poor's, Moody's or Fitch. If a counterparty is not rated by any of these rating agencies, Smartshares will decide a credit rating. If a counterparty is downgraded below the minimums set out above, Smartshares will decide the appropriate action.

### **Hedging**

The fund's foreign currency exposure is hedged to the New Zealand dollar. The target hedging level is 100% of the fund's foreign currency exposure. The actual hedging level can be anywhere in the 0% - 120% range.

### **Securities lending**

The fund may lend up to 50% of the fund's net asset value and up to 50% of the aggregate value of any class of financial product held by the fund.

### **Investment restrictions**

The fund may borrow up to 10% of the fund's net asset value for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



### Schedule 3 – SuperLife Conservative Fund

#### Investment objective

Designed for investors that want a conservative investment option.

#### Investment strategy

Purpose	Asset class	Target	Range	Market index
Income	Cash and cash equivalents	14%	0% - 90%	S&P/NZX Bank Bills 90-Day Total Return Index
	New Zealand fixed interest	21%	0% - 50%	50% S&P/NZX A-Grade Corporate Bond Total Return Index 50% S&P/NZX NZ Government Bond Total Return Index
	International fixed interest	35%	0% - 60%	Bloomberg Global Aggregate Total Return Index Hedged NZD
	<b>Total</b>	<b>70%</b>	<b>50% - 90%</b>	
Growth	Australasian equities	5%	0% - 30%	70% S&P/NZX 50 Gross with Imputation Index 15% S&P/ASX 200 Total Return Index 15% S&P/ASX 200 NZD Hedged Total Return Index
	International equities	22%	0% - 35%	90% MSCI World ex Australia Net Total Return Index (50% NZD Hedged) 10% MSCI Emerging Markets Net Total Return Index
	Listed property	1.5%	0% - 15%	FTSE EPRA Nareit Developed ex Aus Rental Net Tax Index (100% NZD Hedged)
	Other	1.5%	0% - 15%	FTSE Developed Core Infrastructure 50/50 Net Tax Index (100% NZD Hedged)
	<b>Total</b>	<b>30%</b>	<b>10% - 50%</b>	

Smartshares may from time to time rebalance the fund so that its actual asset allocation is consistent with its target asset allocation.



### Permitted investments

The fund may invest in the following assets:

- listed financial products;
- tradeable debt securities;
- any fund in the Smart Exchange Traded Funds or other managed investment scheme managed by Smartshares;
- any fund managed by a third party; and
- cash and cash equivalents.

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term investments (and funds that primarily invest in cash and cash equivalents).

### Derivatives

The fund may use derivatives to gain exposure to assets that are consistent with the permitted investments set out above or to manage foreign currency exposures. The fund may not use derivatives to lever the fund.

The minimum over-the-counter derivative counterparty rating is A- issued by Standard & Poor's, or its equivalent issued by Moody's or Fitch.

If a counterparty has multiple credit ratings, Smartshares will use the highest credit rating of Standard & Poor's, Moody's or Fitch. If a counterparty is not rated by any of these rating agencies, Smartshares will decide a credit rating. If a counterparty is downgraded below the minimums set out above, Smartshares will decide the appropriate action.

### Hedging

The fund's foreign currency exposure is hedged to the New Zealand dollar. The target hedging level is 79% of the fund's foreign currency exposure. The actual hedging level can be anywhere in the 0% - 120% range.

### Securities lending

The fund may lend up to 50% of the fund's net asset value and up to 50% of the aggregate value of any class of financial product held by the fund.

### Investment restrictions

The fund may borrow up to 10% of the fund's net asset value for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



## Schedule 4 – SuperLife Balanced Fund

### Investment objective

Designed for investors that want a balanced investment option.

### Investment strategy

Purpose	Asset class	Target	Range	Market index
Income	Cash and cash equivalents	8%	0% - 60%	S&P/NZX Bank Bills 90-Day Total Return Index
	New Zealand fixed interest	12%	0% - 30%	50% S&P/NZX A-Grade Corporate Bond Total Return Index 50% S&P/NZX NZ Government Bond Total Return Index
	International fixed interest	20%	0% - 40%	Bloomberg Global Aggregate Total Return Index Hedged NZD
	<b>Total</b>	<b>40%</b>	<b>20% - 60%</b>	
Growth	Australasian equities	14%	0% - 40%	70% S&P/NZX 50 Gross with Imputation Index 15% S&P/ASX 200 Total Return Index 15% S&P/ASX 200 NZD Hedged Total Return Index
	International equities	40%	0% - 50%	90% MSCI World ex Australia Net Total Return Index (50% NZD Hedged) 10% MSCI Emerging Markets Net Total Return Index
	Listed property	3%	0% - 20%	FTSE EPRA Nareit Developed ex Aus Rental Net Tax Index (100% NZD Hedged)
	Other	3%	0% - 15%	FTSE Developed Core Infrastructure 50/50 Net Tax Index (100% NZD Hedged)
	<b>Total</b>	<b>60%</b>	<b>40% - 80%</b>	

Smartshares may from time to time rebalance the fund so that its actual asset allocation is consistent with its target asset allocation.



### Permitted investments

The fund may invest in the following assets:

- listed financial products;
- tradeable debt securities;
- any fund in the Smart Exchange Traded Funds or other managed investment scheme managed by Smartshares;
- any fund managed by a third party; and
- cash and cash equivalents.

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term investments (and funds that primarily invest in cash and cash equivalents).

### Derivatives

The fund may use derivatives to gain exposure to assets that are consistent with the permitted investments set out above or to manage foreign currency exposures. The fund may not use derivatives to lever the fund.

The minimum over-the-counter derivative counterparty rating is A- issued by Standard & Poor's, or its equivalent issued by Moody's or Fitch.

If a counterparty has multiple credit ratings, Smartshares will use the highest credit rating of Standard & Poor's, Moody's or Fitch. If a counterparty is not rated by any of these rating agencies, Smartshares will decide a credit rating. If a counterparty is downgraded below the minimums set out above, Smartshares will decide the appropriate action.

### Hedging

The fund's foreign currency exposure is hedged to the New Zealand dollar. The target hedging level is 66% of the fund's foreign currency exposure. The actual hedging level can be anywhere in the 0% - 120% range.

### Securities lending

The fund may lend up to 50% of the fund's net asset value and up to 50% of the aggregate value of any class of financial product held by the fund.

### Investment restrictions

The fund may borrow up to 10% of the fund's net asset value for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



## Schedule 5 – SuperLife Growth Fund

### Investment objective

Designed for investors that want a growth investment option.

### Investment strategy

Purpose	Asset class	Target	Range	Market index
Income	Cash and cash equivalents	4%	0% - 40%	S&P/NZX Bank Bills 90-Day Total Return Index
	New Zealand fixed interest	6%	0% - 20%	50% S&P/NZX A-Grade Corporate Bond Total Return Index 50% S&P/NZX NZ Government Bond Total Return Index
	International fixed interest	10%	0% - 30%	Bloomberg Global Aggregate Total Return Index Hedged NZD
	<b>Total</b>	<b>20%</b>	<b>5% - 40%</b>	
Growth	Australasian equities	19%	0% - 50%	70% S&P/NZX 50 Gross with Imputation Index 15% S&P/ASX 200 Total Return Index 15% S&P/ASX 200 NZD Hedged Total Return Index
	International equities	53%	0% - 60%	90% MSCI World ex Australia Net Total Return Index (50% NZD Hedged) 10% MSCI Emerging Markets Net Total Return Index
	Listed property	4%	0% - 25%	FTSE EPRA Nareit Developed ex Aus Rental Net Tax Index (100% NZD Hedged)
	Other	4%	0% - 15%	FTSE Developed Core Infrastructure 50/50 Net Tax Index (100% NZD Hedged)
	<b>Total</b>	<b>80%</b>	<b>60% - 95%</b>	

Smartshares may from time to time rebalance the fund so that its actual asset allocation is consistent with its target asset allocation.



### Permitted investments

The fund may invest in the following assets:

- listed financial products;
- tradeable debt securities;
- any fund in the Smart Exchange Traded Funds or other managed investment scheme managed by Smartshares;
- any fund managed by a third party; and
- cash and cash equivalents.

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term investments (and funds that primarily invest in cash and cash equivalents).

### Derivatives

The fund may use derivatives to gain exposure to assets that are consistent with the permitted investments set out above or to manage foreign currency exposures. The fund may not use derivatives to lever the fund.

The minimum over-the-counter derivative counterparty rating is A- issued by Standard & Poor's, or its equivalent issued by Moody's or Fitch.

If a counterparty has multiple credit ratings, Smartshares will use the highest credit rating of Standard & Poor's, Moody's or Fitch. If a counterparty is not rated by any of these rating agencies, Smartshares will decide a credit rating. If a counterparty is downgraded below the minimums set out above, Smartshares will decide the appropriate action.

### Hedging

The fund's foreign currency exposure is hedged to the New Zealand dollar. The target hedging level is 58% of the fund's foreign currency exposure. The actual hedging level can be anywhere in the 0% - 120% range.

### Securities lending

The fund may lend up to 50% of the fund's net asset value and up to 50% of the aggregate value of any class of financial product held by the fund.

### Investment restrictions

The fund may borrow up to 10% of the fund's net asset value for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



## Schedule 6 – SuperLife High Growth Fund

### Investment objective

Designed for investors that want an aggressive investment option that invests in shares and property.

### Investment strategy

Purpose	Asset class	Target	Range	Market index
Income	Cash and cash equivalents	1%	0% - 20%	S&P/NZX Bank Bills 90-Day Total Return Index
	<b>Total</b>	<b>1%</b>	<b>0% - 20%</b>	
Growth	Australasian equities	25%	0% - 60%	70% S&P/NZX 50 Gross with Imputation Index 15% S&P/ASX 200 Total Return Index 15% S&P/ASX 200 NZD Hedged Total Return Index
	International equities	64%	0% - 80%	90% MSCI World ex Australia Net Total Return Index (50% NZD Hedged) 10% MSCI Emerging Markets Net Total Return Index
	Listed property	5%	0% - 25%	FTSE EPRA Nareit Developed ex Aus Rental Net Tax Index (100% NZD Hedged)
	Other	5%	0% - 15%	FTSE Developed Core Infrastructure 50/50 Net Tax Index (100% NZD Hedged)
	<b>Total</b>	<b>99%</b>	<b>80% - 100%</b>	

Smartshares may from time to time rebalance the fund so that its actual asset allocation is consistent with its target asset allocation.

### Permitted investments

The fund may invest in the following assets:

- listed financial products;
- tradeable debt securities;
- any fund in the Smart Exchange Traded Funds or other managed investment scheme managed by Smartshares;
- any fund managed by a third party; and
- cash and cash equivalents.



Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term investments (and funds that primarily invest in cash and cash equivalents).

### **Derivatives**

The fund may use derivatives to gain exposure to assets that are consistent with the permitted investments set out above or to manage foreign currency exposures. The fund may not use derivatives to lever the fund.

The minimum over-the-counter derivative counterparty rating is A- issued by Standard & Poor's, or its equivalent issued by Moody's or Fitch.

If a counterparty has multiple credit ratings, Smartshares will use the highest credit rating of Standard & Poor's, Moody's or Fitch. If a counterparty is not rated by any of these rating agencies, Smartshares will decide a credit rating. If a counterparty is downgraded below the minimums set out above, Smartshares will decide the appropriate action.

### **Hedging**

The fund's foreign currency exposure is hedged to the New Zealand dollar. The target hedging level is 52% of the fund's foreign currency exposure. The actual hedging level can be anywhere in the 0% - 120% range.

### **Securities lending**

The fund may lend up to 50% of the fund's net asset value and up to 50% of the aggregate value of any class of financial product held by the fund.

### **Investment restrictions**

The fund may borrow up to 10% of the fund's net asset value for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



## ETHICAL FUND

### Schedule 7 – Ethica Fund

#### Investment objective

Designed for investors that want a balance between stability of returns and growth of their investment over the long term. Provides exposure to a diverse selection of global companies and income assets that align with our Responsible Investment Policy.

#### Investment strategy

Purpose	Asset class	Target	Range	Market index
Income	Cash and cash equivalents	8%	0% - 60%	S&P/NZX Bank Bills 90-Day Total Return Index
	New Zealand fixed interest	12%	0% - 30%	50% S&P/NZX A-Grade Corporate Bond Total Return Index 50% S&P/NZX NZ Government Bond Total Return Index
	International fixed interest	20%	0% - 40%	Bloomberg Global Aggregate Total Return Index Hedged NZD
	<b>Total</b>	<b>40%</b>	<b>20% - 60%</b>	
Growth	Australasian equities	14%	0% - 40%	70% S&P/NZX 50 Portfolio Index 15% S&P/ASX 200 Total Return Index 15% S&P/ASX 200 NZD Hedged Total Return Index
	International equities	40%	0% - 50%	MSCI World ex Australia Net Total Return Index (50% NZD Hedged)
	Listed property	6%	0% - 20%	FTSE EPRA Nareit Developed ex Aus Rental Net Tax Index (100% NZD Hedged)
	Other	0%	0% - 15%	FTSE Developed Core Infrastructure 50/50 Net Tax Index (100% NZD Hedged)
	<b>Total</b>	<b>60%</b>	<b>40% - 80%</b>	

Smartshares may from time to time rebalance the fund so that its actual asset allocation is consistent with its target asset allocation.



### Permitted investments

The fund may invest in the following assets:

- listed financial products;
- tradeable debt securities;
- any fund in the Smart Exchange Traded Funds or other managed investment scheme managed by Smartshares;
- any fund managed by a third party; and
- cash and cash equivalents.

The fund may also invest in other assets (which are not set out above) that Smartshares considers are consistent with the permitted investments set out above and that appropriately reflect the risk profile of the fund and will contribute to the investment objective of the fund.

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term investments (and funds that primarily invest in cash and cash equivalents).

### Responsible investment approach

The fund invests in accordance with the Smartshares Responsible Investment Policy. The fund integrates environmental, social and governance (ESG) factors as a core part of its investment approach by using the following tools in relation to its International Equities, Australian Equities and International Fixed Interest assets:

- Socially Responsible Investment (SRI) Exclusions
  - The fund excludes companies where a material part of their revenue or activities are in the areas of gambling, tobacco, alcohol, military weapons (including cluster munitions, anti-personnel mines, nuclear explosive devices and personal firearms), adult entertainment, child labour, factory farming, palm oil and coal mining.
  - The revenue and/or activities are considered material if they exceed a minimum threshold which varies from 0% up to 20% by area.
- Systematic ESG Screening
  - The fund applies screens to potential investments based on ESG factors, which either lead to exclusions or material reductions in holdings of certain companies compared to market benchmarks that do not consider ESG factors (e.g. potential investments are screened for their greenhouse gas emissions intensity)
  - The fund's ESG screening may also lead to increased exposure to companies that are considered to have superior ESG factors (e.g. increase investment into companies that better manage their impact on the environment through low greenhouse gas emissions intensity)

The fund invests in underlying funds which are selected based on their alignment with Smartshares' Responsible Investment Policy. Smartshares evaluates and monitors the underlying fund performance on an ongoing basis.



More information on the Ethica Fund, including the use of SRI exclusions, ESG screening and external fund managers, can be found at [superlife.co.nz/responsible-investing-home](https://superlife.co.nz/responsible-investing-home).

### Derivatives

The fund may use derivatives to gain exposure to assets that are consistent with the permitted investments set out above or to manage foreign currency exposures. The fund may not use derivatives to lever the fund.

The use of index derivatives may provide exposure to investments otherwise excluded under Smartshares' Responsible Investment Policy.

The minimum over-the-counter derivative counterparty rating is A- issued by Standard & Poor's, or its equivalent issued by Moody's or Fitch.

If a counterparty has multiple credit ratings, Smartshares will use the highest credit rating of Standard & Poor's, Moody's or Fitch. If a counterparty is not rated by any of these rating agencies, Smartshares will decide a credit rating. If a counterparty is downgraded below the minimums set out above, Smartshares will decide the appropriate action.

### Hedging

The fund's foreign currency exposure is hedged to the New Zealand dollar. The target hedging level is 69% of the fund's foreign currency exposure. The actual hedging level can be anywhere in the 0% - 120% range.

### Securities lending

The fund may lend up to 50% of the fund's net asset value and up to 50% of the aggregate value of any class of financial product held by the fund. As at the date of this SIPO, we do not currently implement securities lending for the Ethica Fund.

### Investment restrictions

The fund may borrow up to 10% of the fund's net asset value for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



## GUEST MANAGER FUND

### Schedule 8 – Castle Point 5 Oceans Fund

#### Investment objective

To outperform (after fees and other expenses, but before tax) the Reserve Bank of New Zealand Official Cash Rate by 3% per annum over the medium to long-term.

#### Investment strategy and permitted investments

The fund invests in the Castle Point 5 Oceans Fund managed by Castle Point Funds Management Limited and cash and cash equivalents.

Information about the Castle Point 5 Oceans Fund managed by Castle Point Funds Management Limited (including its investment strategy, asset allocation, permitted investments and borrowing policy) is set out in the Castle Point 5 Oceans Funds Scheme's SIPO available at [castlepointfunds.com](http://castlepointfunds.com).

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian and other short-term investments (and funds that primarily invest in cash and cash equivalents).

#### Derivatives

The fund may use derivatives to gain exposure to assets that are consistent with the permitted investments set out above. The fund may not use derivatives to lever the fund.

#### Hedging

The fund invests in the Castle Point 5 Oceans Fund managed by Castle Point Funds Management Limited, within which foreign currency exposure may be hedged to the New Zealand dollar.

#### Securities lending

The fund may lend up to 50% of the fund's net asset value and up to 50% of the aggregate value of any class of financial product held by the fund.

#### Investment restrictions

The fund may borrow up to 10% of the fund's net asset value for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



## SECTOR FUNDS

### New Zealand shares

#### Schedule 9 – S&P/NZX 50 Fund

##### Investment objective

To track the return (before tax, fees and other expenses) on the S&P/NZX 50 Gross with Imputation Index.

##### Investment strategy and permitted investments

Asset class	Permitted investments	Target	Range	Market index
Cash and cash equivalents	Cash and cash equivalents	0%	0% - 10%	S&P/NZX 50 Gross with Imputation Index
Australasian equities	Smart S&P/NZX 50 ETF	100%	90% - 100%	
<b>Total</b>		<b>100%</b>	<b>100%</b>	

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term investments (and funds that primarily invest in cash and cash equivalents).

##### Derivatives

The fund may use derivatives to gain exposure to assets that are consistent with the permitted investments set out above. The fund may not use derivatives to lever the fund.

##### Securities lending

The fund may lend up to 50% of the fund's net asset value and up to 50% of the aggregate value of any class of financial product held by the fund.

##### Investment restrictions

The fund may borrow up to 10% of the fund's net asset value for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



## Schedule 10 – NZ Shares Fund

### Investment objective

To reflect the return (before tax, fees and other expenses) on the New Zealand share market.

### Investment strategy

Asset class	Target	Range	Market index
Cash and cash equivalents	0%	0% - 10%	S&P/NZX 50 Portfolio Index
Australasian equities	100%	90% - 100%	
<b>Total</b>	<b>100%</b>	<b>100%</b>	

### Permitted investments

The fund may invest in the following assets:

- listed financial products;
- any fund in the Smart Exchange Traded Funds or other managed investment scheme managed by Smartshares;
- any fund managed by a third party; and
- cash and cash equivalents.

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term investments (and funds that primarily invest in cash and cash equivalents).

The fund may also invest in other assets (which are not set out above) that Smartshares considers are consistent with the permitted investments set out above and that appropriately reflect the risk profile of the fund and will contribute to the investment objective of the fund.

### Derivatives

The fund may use derivatives to gain exposure to assets that are consistent with the permitted investments set out above. The fund may not use derivatives to lever the fund.

### Securities lending

The fund may lend up to 50% of the fund's net asset value and up to 50% of the aggregate value of any class of financial product held by the fund.

### Investment restrictions

The fund may not directly invest in ordinary shares issued by NZX Limited. However, the fund may invest in managed investment schemes that invest in ordinary shares issued by NZX Limited.

The fund may borrow up to 10% of the fund's net asset value for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



## Schedule 11 – NZ Top 50 Fund

### Investment objective

To track the return (before tax, fees and other expenses) on the S&P/NZX 50 Portfolio Index.

### Investment strategy and permitted investments

Asset class	Permitted investments	Target	Range	Market index
Cash and cash equivalents	Cash and cash equivalents	0%	0% - 10%	S&P/NZX 50 Portfolio Index
Australasian equities	Smart NZ Top 50 ETF	100%	90% - 100%	
<b>Total</b>		<b>100%</b>	<b>100%</b>	

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term investments (and funds that primarily invest in cash and cash equivalents).

### Derivatives

The fund may use derivatives to gain exposure to assets that are consistent with the permitted investments set out above. The fund may not use derivatives to lever the fund.

### Securities lending

The fund may lend up to 50% of the fund's net asset value and up to 50% of the aggregate value of any class of financial product held by the fund.

### Investment restrictions

The fund may borrow up to 10% of the fund's net asset value for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



## Schedule 12 – NZ Top 10 Fund

### Investment objective

To track the return (before tax, fees and other expenses) on the S&P/NZX 10 Index.

### Investment strategy and permitted investments

Asset class	Permitted investments	Target	Range	Market index
Cash and cash equivalents	Cash and cash equivalents	0%	0% - 10%	S&P/NZX 10 Index
Australasian equities	Smart NZ Top 10 ETF	100%	90% - 100%	
<b>Total</b>		<b>100%</b>	<b>100%</b>	

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term investments (and funds that primarily invest in cash and cash equivalents).

### Derivatives

The fund may use derivatives to gain exposure to assets that are consistent with the permitted investments set out above. The fund may not use derivatives to lever the fund.

### Securities lending

The fund may lend up to 50% of the fund's net asset value and up to 50% of the aggregate value of any class of financial product held by the fund.

### Investment restrictions

The fund may borrow up to 10% of the fund's net asset value for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



## Schedule 13 – NZ Mid Cap Fund

### Investment objective

To track the return (before tax, fees and other expenses) on the S&P/NZX Mid Cap Index.

### Investment strategy and permitted investments

Asset class	Permitted investments	Target	Range	Market index
Cash and cash equivalents	Cash and cash equivalents	0%	0% - 10%	S&P/NZX Mid Cap Index
Australasian equities	Smart NZ Mid Cap ETF	100%	90% - 100%	
<b>Total</b>		<b>100%</b>	<b>100%</b>	

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term investments (and funds that primarily invest in cash and cash equivalents).

### Derivatives

The fund may use derivatives to gain exposure to assets that are consistent with the permitted investments set out above. The fund may not use derivatives to lever the fund.

### Securities lending

The fund may lend up to 50% of the fund's net asset value and up to 50% of the aggregate value of any class of financial product held by the fund.

### Investment restrictions

The fund may borrow up to 10% of the fund's net asset value for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



## Schedule 14 – NZ Dividend Fund

### Investment objective

To track the return (before tax, fees and other expenses) on the S&P/NZX 50 High Dividend Index.

### Investment strategy and permitted investments

Asset class	Permitted investments	Target	Range	Market index
Cash and cash equivalents	Cash and cash equivalents	0%	0% - 10%	S&P/NZX 50 High Dividend Index
Australasian equities	Smart NZ Dividend ETF	100%	90% - 100%	
<b>Total</b>		<b>100%</b>	<b>100%</b>	

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term investments (and funds that primarily invest in cash and cash equivalents).

### Derivatives

The fund may use derivatives to gain exposure to assets that are consistent with the permitted investments set out above. The fund may not use derivatives to lever the fund.

### Securities lending

The fund may lend up to 50% of the fund's net asset value and up to 50% of the aggregate value of any class of financial product held by the fund.

### Investment restrictions

The fund may borrow up to 10% of the fund's net asset value for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



## Schedule 15 – NZ Property Fund

### Investment objective

To track the return (before tax, fees and other expenses) on the S&P/NZX Real Estate Select Index.

### Investment strategy and permitted investments

Asset class	Permitted investments	Target	Range	Market index
Cash and cash equivalents	Cash and cash equivalents	0%	0% - 10%	S&P/NZX Real Estate Select Index
Listed property	Smart NZ Property ETF	100%	90% - 100%	
<b>Total</b>		<b>100%</b>	<b>100%</b>	

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term investments (and funds that primarily invest in cash and cash equivalents).

### Derivatives

The fund may use derivatives to gain exposure to assets that are consistent with the permitted investments set out above. The fund may not use derivatives to lever the fund.

### Securities lending

The fund may lend up to 50% of the fund's net asset value and up to 50% of the aggregate value of any class of financial product held by the fund.

### Investment restrictions

The fund may borrow up to 10% of the fund's net asset value for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



## **Australian shares**

### **Schedule 16 – S&P/ASX 200 Fund**

#### **Investment objective**

To track the return (before tax, fees and other expenses) on the S&P/ASX 200 Total Return Index.

#### **Investment strategy and permitted investments**

Asset class	Permitted investments	Target	Range	Market index
Cash and cash equivalents	Cash and cash equivalents	0%	0% - 10%	S&P/ASX 200 Total Return Index
Australasian equities	Smart Australian Top 200 ETF	100%	90% - 100%	
<b>Total</b>		<b>100%</b>	<b>100%</b>	

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term investments (and funds that primarily invest in cash and cash equivalents).

#### **Derivatives**

The fund may use derivatives to gain exposure to assets that are consistent with the permitted investments set out above. The fund may not use derivatives to lever the fund.

#### **Hedging**

The fund's foreign currency exposure is not hedged.

#### **Securities lending**

The fund may lend up to 50% of the fund's net asset value and up to 50% of the aggregate value of any class of financial product held by the fund.

#### **Investment restrictions**

The fund may borrow up to 10% of the fund's net asset value for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



## Schedule 17 – Australian Shares Fund

### Investment objective

To reflect the return (before tax, fees and other expenses) on the Australian share market.

### Investment strategy

Asset class	Target	Range	Market index
Cash and cash equivalents	0%	0% - 10%	50% S&P/ASX 200 Total Return Index
Australasian equities	100%	90% - 100%	50% S&P/ASX 200 NZD Hedged Total Return Index
<b>Total</b>	<b>100%</b>	<b>100%</b>	

### Permitted investments

The fund may invest in the following assets:

- listed financial products;
- any fund in the Smart Exchange Traded Funds or other managed investment scheme managed by Smartshares;
- any fund managed by a third party; and
- cash and cash equivalents.

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term investments (and funds that primarily invest in cash and cash equivalents).

### Derivatives

The fund may use derivatives to gain exposure to assets that are consistent with the permitted investments set out above or to manage foreign currency exposures. The fund may not use derivatives to lever the fund.

The minimum over-the-counter derivative counterparty rating is A- issued by Standard & Poor's, or its equivalent issued by Moody's or Fitch.

If a counterparty has multiple credit ratings, Smartshares will use the highest credit rating of Standard & Poor's, Moody's or Fitch. If a counterparty is not rated by any of these rating agencies, Smartshares will decide a credit rating. If a counterparty is downgraded below the minimums set out above, Smartshares will decide the appropriate action.

### Hedging

The fund's foreign currency exposure is hedged to the New Zealand dollar. The target hedging level is 50% of the fund's foreign currency exposure. The actual hedging level can be anywhere in the 0% - 120% range.

### Securities lending

The fund may lend up to 50% of the fund's net asset value and up to 50% of the aggregate value of any class of financial product held by the fund.



### **Investment restrictions**

The fund may borrow up to 10% of the fund's net asset value for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



## Schedule 18 – Australian Top 20 Fund

### Investment objective

To track the return (before tax, fees and other expenses) on the S&P/ASX 20 Index.

### Investment strategy and permitted investments

Asset class	Permitted investments	Target	Range	Market index
Cash and cash equivalents	Cash and cash equivalents	0%	0% - 10%	S&P/ASX 20 Index
Australasian equities	Smart Australian Top 20 ETF	100%	90% - 100%	
<b>Total</b>		<b>100%</b>	<b>100%</b>	

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term investments (and funds that primarily invest in cash and cash equivalents).

### Derivatives

The fund may use derivatives to gain exposure to assets that are consistent with the permitted investments set out above. The fund may not use derivatives to lever the fund.

### Hedging

The fund's foreign currency exposure is not hedged.

### Securities lending

The fund may lend up to 50% of the fund's net asset value and up to 50% of the aggregate value of any class of financial product held by the fund.

### Investment restrictions

The fund may borrow up to 10% of the fund's net asset value for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



## Schedule 19 – Australian Mid Cap Fund

### Investment objective

To track the return (before tax, fees and other expenses) on the S&P/ASX Mid Cap 50 Index.

### Investment strategy and permitted investments

Asset class	Permitted investments	Target	Range	Market index
Cash and cash equivalents	Cash and cash equivalents	0%	0% - 10%	S&P/ASX Mid Cap 50 Index
Australasian equities	Smart Australian Mid Cap ETF	100%	90% - 100%	
<b>Total</b>		<b>100%</b>	<b>100%</b>	

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term investments (and funds that primarily invest in cash and cash equivalents).

### Derivatives

The fund may use derivatives to gain exposure to assets that are consistent with the permitted investments set out above. The fund may not use derivatives to lever the fund.

### Hedging

The fund's foreign currency exposure is not hedged.

### Securities lending

The fund may lend up to 50% of the fund's net asset value and up to 50% of the aggregate value of any class of financial product held by the fund.

### Investment restrictions

The fund may borrow up to 10% of the fund's net asset value for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



## Schedule 20 – Australian Dividend Fund

### Investment objective

To track the return (before tax, fees and other expenses) on the S&P/ASX Dividend Opportunities Index.

### Investment strategy and permitted investments

Asset class	Permitted investments	Target	Range	Market index
Cash and cash equivalents	Cash and cash equivalents	0%	0% - 10%	S&P/ASX Dividend Opportunities Index
Australasian equities	Smart Australian Dividend ETF	100%	90% - 100%	
<b>Total</b>		<b>100%</b>	<b>100%</b>	

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term investments (and funds that primarily invest in cash and cash equivalents).

### Derivatives

The fund may use derivatives to gain exposure to assets that are consistent with the permitted investments set out above. The fund may not use derivatives to lever the fund.

### Hedging

The fund's foreign currency exposure is not hedged.

### Securities lending

The fund may lend up to 50% of the fund's net asset value and up to 50% of the aggregate value of any class of financial product held by the fund.

### Investment restrictions

The fund may borrow up to 10% of the fund's net asset value for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



## Schedule 21 – Australian Financials Fund

### Investment objective

To track the return (before tax, fees and other expenses) on the S&P/ASX 200 Financials Ex-A-REIT Index.

### Investment strategy and permitted investments

Asset class	Permitted investments	Target	Range	Market index
Cash and cash equivalents	Cash and cash equivalents	0%	0% - 10%	S&P/ASX 200 Financials Ex-A-REIT Index
Australasian equities	Smart Australian Financials ETF	100%	90% - 100%	
<b>Total</b>		<b>100%</b>	<b>100%</b>	

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term investments (and funds that primarily invest in cash and cash equivalents).

### Derivatives

The fund may use derivatives to gain exposure to assets that are consistent with the permitted investments set out above. The fund may not use derivatives to lever the fund.

### Hedging

The fund's foreign currency exposure is not hedged.

### Securities lending

The fund may lend up to 50% of the fund's net asset value and up to 50% of the aggregate value of any class of financial product held by the fund.

### Investment restrictions

The fund may borrow up to 10% of the fund's net asset value for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



## Schedule 22 – Australian Resources Fund

### Investment objective

To track the return (before tax, fees and other expenses) on the S&P/ASX 200 Resources Index.

### Investment strategy and permitted investments

Asset class	Permitted investments	Target	Range	Market index
Cash and cash equivalents	Cash and cash equivalents	0%	0% - 10%	S&P/ASX 200 Resources Index
Australasian equities	Smart Australian Resources ETF	100%	90% - 100%	
<b>Total</b>		<b>100%</b>	<b>100%</b>	

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term investments (and funds that primarily invest in cash and cash equivalents).

### Derivatives

The fund may use derivatives to gain exposure to assets that are consistent with the permitted investments set out above. The fund may not use derivatives to lever the fund.

### Hedging

The fund's foreign currency exposure is not hedged.

### Securities lending

The fund may lend up to 50% of the fund's net asset value and up to 50% of the aggregate value of any class of financial product held by the fund.

### Investment restrictions

The fund may borrow up to 10% of the fund's net asset value for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



## Schedule 23 – Australian Property Fund

### Investment objective

To track the return (before tax, fees and other expenses) on the S&P/ASX 200 A-REIT Equal Weight Index.

### Investment strategy and permitted investments

Asset class	Permitted investments	Target	Range	Market index
Cash and cash equivalents	Cash and cash equivalents	0%	0% - 10%	S&P/ASX 200 A-REIT Equal Weight Index
Listed property	Smart Australian Property ETF	100%	90% - 100%	
<b>Total</b>		<b>100%</b>	<b>100%</b>	

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term investments (and funds that primarily invest in cash and cash equivalents).

### Derivatives

The fund may use derivatives to gain exposure to assets that are consistent with the permitted investments set out above. The fund may not use derivatives to lever the fund.

### Hedging

The fund's foreign currency exposure is not hedged.

### Securities lending

The fund may lend up to 50% of the fund's net asset value and up to 50% of the aggregate value of any class of financial product held by the fund.

### Investment restrictions

The fund may borrow up to 10% of the fund's net asset value for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



## US shares

### Schedule 24 – US 500 Fund

#### Investment objective

To track the return (before tax, fees and other expenses) on the S&P 500 Index.

#### Investment strategy and permitted investments

Asset class	Permitted investments	Target	Range	Market index
Cash and cash equivalents	Cash and cash equivalents	0%	0% - 10%	S&P 500 Index
International equities	Smart US 500 ETF	100%	90% - 100%	
<b>Total</b>		<b>100%</b>	<b>100%</b>	

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term investments (and funds that primarily invest in cash and cash equivalents).

#### Derivatives

The fund may use derivatives to gain exposure to assets that are consistent with the permitted investments set out above. The fund may not use derivatives to lever the fund.

#### Hedging

The fund's foreign currency exposure is not hedged.

#### Securities lending

The fund may lend up to 50% of the fund's net asset value and up to 50% of the aggregate value of any class of financial product held by the fund.

#### Investment restrictions

The fund may borrow up to 10% of the fund's net asset value for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



## Schedule 25 – US Large Growth Fund

### Investment objective

To track the return (before tax, fees and other expenses) on the CRSP US Large Cap Growth Index.

### Investment strategy and permitted investments

Asset class	Permitted investments	Target	Range	Market index
Cash and cash equivalents	Cash and cash equivalents	0%	0% - 10%	CRSP US Large Cap Growth Index
International equities	Smart US Large Growth ETF	100%	90% - 100%	
<b>Total</b>		<b>100%</b>	<b>100%</b>	

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term investments (and funds that primarily invest in cash and cash equivalents).

### Derivatives

The fund may use derivatives to gain exposure to assets that are consistent with the permitted investments set out above. The fund may not use derivatives to lever the fund.

### Hedging

The fund's foreign currency exposure is not hedged.

### Securities lending

The fund may lend up to 50% of the fund's net asset value and up to 50% of the aggregate value of any class of financial product held by the fund.

### Investment restrictions

The fund may borrow up to 10% of the fund's net asset value for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



## Schedule 26 – US Large Value Fund

### Investment objective

To track the return (before tax, fees and other expenses) on the CRSP US Large Cap Value Index.

### Investment strategy and permitted investments

Asset class	Permitted investments	Target	Range	Market index
Cash and cash equivalents	Cash and cash equivalents	0%	0% - 10%	CRSP US Large Cap Value Index
International equities	Smart US Large Value ETF	100%	90% - 100%	
<b>Total</b>		<b>100%</b>	<b>100%</b>	

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term investments (and funds that primarily invest in cash and cash equivalents).

### Derivatives

The fund may use derivatives to gain exposure to assets that are consistent with the permitted investments set out above. The fund may not use derivatives to lever the fund.

### Hedging

The fund's foreign currency exposure is not hedged.

### Securities lending

The fund may lend up to 50% of the fund's net asset value and up to 50% of the aggregate value of any class of financial product held by the fund.

### Investment restrictions

The fund may borrow up to 10% of the fund's net asset value for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



## Schedule 27 – US Mid Cap Fund

### Investment objective

To track the return (before tax, fees and other expenses) on the CRSP US Mid Cap Index.

### Investment strategy and permitted investments

Asset class	Permitted investments	Target	Range	Market index
Cash and cash equivalents	Cash and cash equivalents	0%	0% - 10%	CRSP US Mid Cap Index
International equities	Smart US Mid Cap ETF	100%	90% - 100%	
<b>Total</b>		<b>100%</b>	<b>100%</b>	

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term investments (and funds that primarily invest in cash and cash equivalents).

### Derivatives

The fund may use derivatives to gain exposure to assets that are consistent with the permitted investments set out above. The fund may not use derivatives to lever the fund.

### Hedging

The fund's foreign currency exposure is not hedged.

### Securities lending

The fund may lend up to 50% of the fund's net asset value and up to 50% of the aggregate value of any class of financial product held by the fund.

### Investment restrictions

The fund may borrow up to 10% of the fund's net asset value for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



## Schedule 28 – US Small Cap Fund

### Investment objective

To track the return (before tax, fees and other expenses) on the CRSP US Small Cap Index.

### Investment strategy and permitted investments

Asset class	Permitted investments	Target	Range	Market index
Cash and cash equivalents	Cash and cash equivalents	0%	0% - 10%	CRSP US Small Cap Index
International equities	Smart US Small Cap ETF	100%	90% - 100%	
<b>Total</b>		<b>100%</b>	<b>100%</b>	

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term investments (and funds that primarily invest in cash and cash equivalents).

### Derivatives

The fund may use derivatives to gain exposure to assets that are consistent with the permitted investments set out above. The fund may not use derivatives to lever the fund.

### Hedging

The fund's foreign currency exposure is not hedged.

### Securities lending

The fund may lend up to 50% of the fund's net asset value and up to 50% of the aggregate value of any class of financial product held by the fund.

### Investment restrictions

The fund may borrow up to 10% of the fund's net asset value for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



## **International shares**

### **Schedule 29 – Overseas Shares Fund**

#### **Investment objective**

To track the return (before tax, fees and other expenses) of the MSCI World ex Australia ESG Screened Index.

#### **Investment strategy**

Asset class	Target	Range	Market index
Cash and cash equivalents	0%	0% - 10%	MSCI World ex Australia ESG Screened Index
International equities	100%	90% - 100%	
<b>Total</b>	<b>100%</b>	<b>100%</b>	

#### **Permitted investments**

The fund may invest in the following assets:

- listed financial products;
- any fund in the Smart Exchange Traded Funds or other managed investment scheme managed by Smartshares;
- any fund managed by a third party; and
- cash and cash equivalents.

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term investments (and funds that primarily invest in cash and cash equivalents).

#### **Derivatives**

The fund may use derivatives to gain exposure to assets that are consistent with the permitted investments set out above. The fund may not use derivatives to lever the fund.

#### **Hedging**

The fund's foreign currency exposure is not hedged.

#### **Securities lending**

The fund may lend up to 50% of the fund's net asset value and up to 50% of the aggregate value of any class of financial product held by the fund.

#### **Investment restrictions**

The fund may borrow up to 10% of the fund's net asset value for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



## Schedule 30 – Overseas Shares (Currency Hedged) Fund

### Investment objective

To track the return (before tax, fees and other expenses) of the MSCI World ex Australia ESG Screened Index (100% NZD Hedged).

### Investment strategy

Asset class	Target	Range	Market index
Cash and cash equivalents	0%	0% - 10%	MSCI World ex Australia ESG Screened Index (100% NZD Hedged)
International equities	100%	90% - 100%	
<b>Total</b>	<b>100%</b>	<b>100%</b>	

### Permitted investments

The fund may invest in the following assets:

- listed financial products;
- any fund in the Smart Exchange Traded Funds or other managed investment scheme managed by Smartshares;
- any fund managed by a third party; and
- cash and cash equivalents.

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term investments (and funds that primarily invest in cash and cash equivalents).

### Derivatives

The fund may use derivatives to gain exposure to assets that are consistent with the permitted investments set out above or to manage foreign currency exposures. The fund may not use derivatives to lever the fund.

The minimum over-the-counter derivative counterparty rating is A- issued by Standard & Poor's, or its equivalent issued by Moody's or Fitch.

If a counterparty has multiple credit ratings, Smartshares will use the highest credit rating of Standard & Poor's, Moody's or Fitch. If a counterparty is not rated by any of these rating agencies, Smartshares will decide a credit rating. If a counterparty is downgraded below the minimums set out above, Smartshares will decide the appropriate action.

### Hedging

The fund's foreign currency exposure is hedged to the New Zealand dollar. The target hedging level is 100% of the fund's foreign currency exposure (although the actual hedging level may differ from this because of cash flow and market movements).



### **Securities lending**

The fund may lend up to 50% of the fund's net asset value and up to 50% of the aggregate value of any class of financial product held by the fund.

### **Investment restrictions**

The fund may borrow up to 10% of the fund's net asset value for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



## Schedule 31 – Total World Fund

### Investment objective

To track the return (before tax, fees and other expenses) of the FTSE Global All Cap Index.

### Investment strategy

Asset class	Target	Range	Market index
Cash and cash equivalents	0%	0% - 10%	FTSE Global All Cap Index
International equities	100%	90% - 100%	
<b>Total</b>	<b>100%</b>	<b>100%</b>	

### Permitted investments

The fund may invest in one or more of the following assets:

- Smart Total World ETF;
- any fund managed by Smartshares or a third party; and
- cash and cash equivalents.

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term investments (and funds that primarily invest in cash and cash equivalents).

### Derivatives

The fund may use derivatives to gain exposure to assets that are consistent with the permitted investments set out above. The fund may not use derivatives to lever the fund.

### Hedging

The fund's foreign currency exposure is not hedged.

### Securities lending

The fund may lend up to 50% of the fund's net asset value and up to 50% of the aggregate value of any class of financial product held by the fund.

### Investment restrictions

The fund may borrow up to 10% of the fund's net asset value for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



## Schedule 32 – Total World (NZD Hedged) Fund

### Investment objective

To track the return (before tax, fees and other expenses) of the FTSE Global All Cap Index, hedged to the New Zealand dollar.

### Investment strategy

Asset class	Target	Range	Market index
Cash and cash equivalents	0%	0% - 10%	FTSE Global All Cap Index (100% NZD Hedged)
International equities	100%	90% - 100%	
<b>Total</b>	<b>100%</b>	<b>100%</b>	

### Permitted investments

The fund may invest in one or more of the following assets:

- Smart Total World (NZD Hedged) ETF;
- any fund managed by Smartshares or a third party; and
- cash and cash equivalents.

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term investments (and funds that primarily invest in cash and cash equivalents).

### Derivatives

The fund may use derivatives to gain exposure to assets that are consistent with the permitted investments set out above. The fund may not use derivatives to lever the fund.

### Hedging

The fund's foreign currency exposure is hedged to the New Zealand dollar. The target hedging level is 100% of the fund's foreign currency exposure (although the actual hedging level may differ from this because of cash flow and market movements).

### Securities lending

The fund may lend up to 50% of the fund's net asset value and up to 50% of the aggregate value of any class of financial product held by the fund.

### Investment restrictions

The fund may borrow up to 10% of the fund's net asset value for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



## Schedule 33 – Asia Pacific Fund

### Investment objective

To track the return (before tax, fees and other expenses) on the FTSE Developed Asia Pacific All Cap Index.

### Investment strategy and permitted investments

Asset class	Permitted investments	Target	Range	Market index
Cash and cash equivalents	Cash and cash equivalents	0%	0% - 10%	FTSE Developed Asia Pacific All Cap Index
International equities	Smart Asia Pacific ETF	100%	90% - 100%	
<b>Total</b>		<b>100%</b>	<b>100%</b>	

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term investments (and funds that primarily invest in cash and cash equivalents).

### Derivatives

The fund may use derivatives to gain exposure to assets that are consistent with the permitted investments set out above. The fund may not use derivatives to lever the fund.

### Hedging

The fund's foreign currency exposure is not hedged.

### Securities lending

The fund may lend up to 50% of the fund's net asset value and up to 50% of the aggregate value of any class of financial product held by the fund.

### Investment restrictions

The fund may borrow up to 10% of the fund's net asset value for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



## Schedule 34 – Emerging Markets Fund

### Investment objective

To track the return (before tax, fees and other expenses) on the FTSE Emerging Markets All Cap China A Inclusion Index.

### Investment strategy

Asset class	Target	Range	Market index
Cash and cash equivalents	0%	0% - 10%	FTSE Emerging Markets All Cap China A Inclusion Index
International equities	100%	90% - 100%	
<b>Total</b>	<b>100%</b>	<b>100%</b>	

### Permitted investments

The fund may invest in the following assets:

- listed financial products;
- any fund in the Smart Exchange Traded Funds or other managed investment scheme managed by Smartshares;
- any fund managed by a third party; and
- cash and cash equivalents.

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term investments (and funds that primarily invest in cash and cash equivalents).

### Derivatives

The fund may use derivatives to gain exposure to assets that are consistent with the permitted investments set out above or to manage foreign currency exposures. The fund may not use derivatives to lever the fund.

The minimum over-the-counter derivative counterparty rating is A- issued by Standard & Poor's, or its equivalent issued by Moody's or Fitch.

If a counterparty has multiple credit ratings, Smartshares will use the highest credit rating of Standard & Poor's, Moody's or Fitch. If a counterparty is not rated by any of these rating agencies, Smartshares will decide a credit rating. If a counterparty is downgraded below the minimums set out above, Smartshares will decide the appropriate action.

### Hedging

The fund's foreign currency exposure is not hedged.

### Securities lending

The fund may lend up to 50% of the fund's net asset value and up to 50% of the aggregate value of any class of financial product held by the fund.



### **Investment restrictions**

The fund may borrow up to 10% of the fund's net asset value for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



## Schedule 35 – Europe Fund

### Investment objective

To track the return (before tax, fees and other expenses) on the FTSE Developed Europe All Cap Index.

### Investment strategy and permitted investments

Asset class	Permitted investments	Target	Range	Market index
Cash and cash equivalents	Cash and cash equivalents	0%	0% - 10%	FTSE Developed Europe All Cap Index
International equities	Smart Europe ETF	100%	90% - 100%	
<b>Total</b>		<b>100%</b>	<b>100%</b>	

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term investments (and funds that primarily invest in cash and cash equivalents).

### Derivatives

The fund may use derivatives to gain exposure to assets that are consistent with the permitted investments set out above. The fund may not use derivatives to lever the fund.

### Hedging

The fund's foreign currency exposure is not hedged.

### Securities lending

The fund may lend up to 50% of the fund's net asset value and up to 50% of the aggregate value of any class of financial product held by the fund.

### Investment restrictions

The fund may borrow up to 10% of the fund's net asset value for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



## Schedule 36 – Global Property Fund

### Investment objective

To reflect the return (before tax, fees and other expenses) on New Zealand and international property markets.

### Investment strategy

Asset class	Target	Range	Market index
Cash and cash equivalents	0%	0% - 10%	25% S&P/NZX Real Estate Select Index
Listed property	100%	90% - 100%	25% S&P/ASX 200 A-REIT Equal Weight Index (100% NZD Hedged)
<b>Total</b>	<b>100%</b>	<b>100%</b>	50% FTSE EPRA Nareit Developed ex Aus Rental Net Tax Index (100% NZD Hedged)

### Permitted investments

The fund may invest in the following assets:

- listed financial products;
- any fund in the Smart Exchange Traded Funds or other managed investment scheme managed by Smartshares;
- any fund managed by a third party; and
- cash and cash equivalents.

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term investments (and funds that primarily invest in cash and cash equivalents).

### Derivatives

The fund may use derivatives to gain exposure to assets that are consistent with the permitted investments set out above or to manage foreign currency exposures. The fund may not use derivatives to lever the fund.

The minimum over-the-counter derivative counterparty rating is A- issued by Standard & Poor's, or its equivalent issued by Moody's or Fitch.

If a counterparty has multiple credit ratings, Smartshares will use the highest credit rating of Standard & Poor's, Moody's or Fitch. If a counterparty is not rated by any of these rating agencies, Smartshares will decide a credit rating. If a counterparty is downgraded below the minimums set out above, Smartshares will decide the appropriate action.

### Hedging

The fund's foreign currency exposure is hedged to the New Zealand dollar. The target hedging level is 100% of the fund's foreign currency exposure (although the actual hedging level may differ from this because of cash flow and market movements).



### **Securities lending**

The fund may lend up to 50% of the fund's net asset value and up to 50% of the aggregate value of any class of financial product held by the fund.

### **Investment restrictions**

The fund may borrow up to 10% of the fund's net asset value for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



## **Bonds and cash**

### **Schedule 37 – NZ Bonds Fund**

#### **Investment objective**

To outperform (before tax, fees and other expenses) the S&P/NZX A-Grade Corporate Bond Total Return Index over rolling three-year periods.

#### **Investment strategy**

Asset class	Target	Range	Market index
Cash and cash equivalents	0%	0% - 10%	S&P/NZX A-Grade Corporate Bond Total Return Index
New Zealand fixed interest	100%	90% - 100%	
<b>Total</b>	<b>100%</b>	<b>100%</b>	

#### **Permitted investments**

The fund may invest in the following assets:

- listed financial products;
- tradeable debt securities;
- any fund in the Smart Exchange Traded Funds or other managed investment scheme managed by Smartshares;
- any fund managed by a third party; and
- cash and cash equivalents.

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term investments (and funds that primarily invest in cash and cash equivalents).

#### **Derivatives**

The fund may use derivatives to gain exposure to assets that are consistent with the permitted investments set out above. The fund may not use derivatives to lever the fund.

#### **Securities lending**

The fund may lend up to 50% of the fund's net asset value and up to 50% of the aggregate value of any class of financial product held by the fund.

#### **Investment restrictions**

The fund may borrow up to 10% of the fund's net asset value for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



## Schedule 38 – S&P/NZX NZ Government Bond Fund

### Investment objective

To track the return (before tax, fees and other expenses) on the S&P/NZX NZ Government Bond Total Return Index.

### Investment strategy and permitted investments

Asset class	Permitted investments	Target	Range	Market index
Cash and cash equivalents	Cash and cash equivalents	0%	0% - 10%	S&P/NZX NZ Government Bond Total Return Index
New Zealand fixed interest	Smart S&P/NZX NZ Government Bond ETF	100%	90% - 100%	
<b>Total</b>		<b>100%</b>	<b>100%</b>	

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term investments (and funds that primarily invest in cash and cash equivalents).

### Derivatives

The fund may use derivatives to gain exposure to assets that are consistent with the permitted investments set out above. The fund may not use derivatives to lever the fund.

### Securities lending

The fund may lend up to 50% of the fund's net asset value and up to 50% of the aggregate value of any class of financial product held by the fund.

### Investment restrictions

The fund may borrow up to 10% of the fund's net asset value for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



## Schedule 39 – Overseas Bonds Fund

### Investment objective

To reflect the return (before tax, fees and other expenses) on international bond markets of developed economies.

### Investment strategy

Asset class	Target	Range	Market index
Cash and cash equivalents	0%	0% - 10%	Bloomberg Global Aggregate Total Return Index Hedged NZD
International fixed interest	100%	90% - 100%	
<b>Total</b>	<b>100%</b>	<b>100%</b>	

### Permitted investments

The fund may invest in the following assets:

- listed financial products;
- tradeable debt securities;
- any fund in the Smart Exchange Traded Funds or other managed investment scheme managed by Smartshares;
- any fund managed by a third party; and
- cash and cash equivalents.

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term investments (and funds that primarily invest in cash and cash equivalents).

### Derivatives

The fund may use derivatives to gain exposure to assets that are consistent with the permitted investments set out above or to manage foreign currency exposures. The fund may not use derivatives to lever the fund.

### Hedging

The fund's foreign currency exposure is hedged to the New Zealand dollar. The target hedging level is 100% of the fund's foreign currency exposure (although the actual hedging level may differ from this because of cash flow and market movements).

### Securities lending

The fund may lend up to 50% of the fund's net asset value and up to 50% of the aggregate value of any class of financial product held by the fund.

### Investment restrictions

The fund may borrow up to 10% of the fund's net asset value for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



## Schedule 40 – Overseas Non-government Bonds Fund

### Investment objective

To reflect the return (before tax, fees and other expenses) on international non-government bond markets of developed economies.

### Investment strategy

Asset class	Target	Range	Market index
Cash and cash equivalents	0%	0% - 10%	Bloomberg Global Aggregate Government-Related and Corporate Index (100% NZD Hedged)
International fixed interest	100%	90% - 100%	
<b>Total</b>	<b>100%</b>	<b>100%</b>	

### Permitted investments

The fund may invest in the following assets:

- listed financial products;
- tradeable debt securities;
- any fund in the Smart Exchange Traded Funds or other managed investment scheme managed by Smartshares;
- any fund managed by a third party; and
- cash and cash equivalents.

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term investments (and funds that primarily invest in cash and cash equivalents).

### Derivatives

The fund may use derivatives to gain exposure to assets that are consistent with the permitted investments set out above or to manage foreign currency exposures. The fund may not use derivatives to lever the fund.

The minimum over-the-counter derivative counterparty rating is A- issued by Standard & Poor's, or its equivalent issued by Moody's or Fitch.

If a counterparty has multiple credit ratings, Smartshares will use the highest credit rating of Standard & Poor's, Moody's or Fitch. If a counterparty is not rated by any of these rating agencies, Smartshares will decide a credit rating. If a counterparty is downgraded below the minimums set out above, Smartshares will decide the appropriate action.

### Hedging

The fund's foreign currency exposure is hedged to the New Zealand dollar. The target hedging level is 100% of the fund's foreign currency exposure (although the actual hedging level may differ from this because of cash flow and market movements).



### **Securities lending**

The fund may lend up to 50% of the fund's net asset value and up to 50% of the aggregate value of any class of financial product held by the fund.

### **Investment restrictions**

The fund may borrow up to 10% of the fund's net asset value for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



## Schedule 41 – Global Aggregate Bond Fund

### Investment objective

To track the return (before tax, fees and other expenses) of the Bloomberg Global Aggregate Total Return Index Hedged NZD.

### Investment strategy

Asset class	Target	Range	Market index
Cash and cash equivalents	0%	0% - 10%	Bloomberg Global Aggregate Total Return Index Hedged NZD
International fixed interest	100%	90% - 100%	
<b>Total</b>	<b>100%</b>	<b>100%</b>	

### Permitted investments

The fund may invest in one or more of the following assets:

- Smart Global Aggregate Bond ETF;
- any fund managed by Smartshares or a third party; and
- cash and cash equivalents.

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term investments (and funds that primarily invest in cash and cash equivalents).

### Derivatives

The fund may use derivatives to gain exposure to assets that are consistent with the permitted investments set out above. The fund may not use derivatives to lever the fund.

### Hedging

The fund's foreign currency exposure is hedged to the New Zealand dollar. The target hedging level is 100% of the fund's foreign currency exposure (although the actual hedging level may differ from this because of cash flow and market movements).

### Securities lending

The fund may lend up to 50% of the fund's net asset value and up to 50% of the aggregate value of any class of financial product held by the fund.

### Investment restrictions

The fund may borrow up to 10% of the fund's net asset value for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



## Schedule 42 – NZ Cash Fund

### Investment objective

To outperform (before tax, fees and other expenses) the S&P/NZX Bank Bills 90-Day Total Return Index over rolling one-year periods.

### Investment strategy

Asset class	Target	Range	Market index
Cash and cash equivalents	100%	100%	S&P/NZX Bank Bills 90-Day Total Return Index
<b>Total</b>	<b>100%</b>	<b>100%</b>	

### Permitted investments

The fund may invest in cash and cash equivalents.

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term investments (and funds that primarily invest in cash and cash equivalents, including funds in the Smart Exchange Traded Funds or other managed investment schemes managed by Smartshares).

The fund may also invest in other assets (which are not set out above) that Smartshares considers are consistent with the permitted investments set out above and that appropriately reflect the risk profile of the fund and will contribute to the investment objective of the fund.

### Derivatives

The fund may use derivatives to gain exposure to assets that are consistent with the permitted investments set out above. The fund may not use derivatives to lever the fund.

### Securities lending

The fund may lend up to 50% of the fund's net asset value and up to 50% of the aggregate value of any class of financial product held by the fund.

### Investment restrictions

The fund may borrow up to 10% of the fund's net asset value for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



## Schedule 43 – UK Cash Fund

### Investment objective

To reflect the return (before tax, fees and other expenses) on the UK cash market.

### Investment strategy

Asset class	Target	Range	Market index
Cash and cash equivalents	100%	100%	Sterling Overnight Index Average (SONIA) (NZD)
<b>Total</b>	<b>100%</b>	<b>100%</b>	

### Permitted investments

The fund may invest in cash and cash equivalents denominated in UK pounds.

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term investments (and funds that primarily invest in cash and cash equivalents, including funds in the Smart Exchange Traded Funds or other managed investment schemes managed by Smartshares).

### Derivatives

The fund may use derivatives to gain exposure to assets that are consistent with the permitted investments set out above. The fund may not use derivatives to lever the fund.

### Hedging

The fund's foreign currency exposure is not hedged.

### Securities lending

The fund may lend up to 50% of the fund's net asset value and up to 50% of the aggregate value of any class of financial product held by the fund.

### Investment restrictions

The fund may borrow up to 10% of the fund's net asset value for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



## WHOLESALE FUNDS

### Schedule 44 – Schroder Real Return PIE

#### Investment objective

To deliver an investment return of 4-5% per annum before fees above Australian inflation over rolling 3-year periods. The fund is denominated in Australian dollars.

#### Investment strategy and permitted investments

The fund invests in the Schroder Real Return Fund and cash and cash equivalents denominated in Australian dollars.

Information about the Schroder Real Return Fund is available at [www.schroders.com](http://www.schroders.com).

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term investments (and funds that primarily invest in cash and cash equivalents).

#### Derivatives

The fund may use derivatives to gain exposure to assets that are consistent with the permitted investments set out above. The fund may not use derivatives to lever the fund.

#### Hedging

The fund's foreign currency exposure is not hedged.

#### Investment restrictions

The fund may borrow up to 10% of the fund's net asset value for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



## **Schedule 45 – Schroder Australian Equity PIE**

### **Investment objective**

To outperform (after fees and other expenses, but before tax) the S&P/ASX 200 Accumulation Index by 2-3% after fees over the medium to long-term by investing in a broad range of companies from Australia and New Zealand. The fund is denominated in Australian dollars.

### **Investment strategy and permitted investments**

The fund invests in the Schroder Australian Equity Fund and cash and cash equivalents denominated in Australian dollars.

Information about the Schroder Australian Equity Fund is available at [www.schroders.com](http://www.schroders.com).

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term investments (and funds that primarily invest in cash and cash equivalents).

### **Derivatives**

The fund may use derivatives to gain exposure to assets that are consistent with the permitted investments set out above. The fund may not use derivatives to lever the fund.

### **Hedging**

The fund's foreign currency exposure is not hedged.

### **Investment restrictions**

The fund may borrow up to 10% of the fund's net asset value for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



## Schedule 46 – SuperLife Active Global Equities (US Dollar) Fund

### Investment objective

Designed for investors that want an actively managed investment in global equities. The fund is denominated in US dollars.

### Investment strategy and permitted investments

Asset class	Permitted investments	Target	Range	Market index
Cash and cash equivalents	Cash and cash equivalents denominated in US dollars	0%	0% - 10%	MSCI ACWI Net Total Return USD Index
International equities	T. Rowe Price Global Equity Growth Fund	100%	0% - 100%	
	<b>Total</b>	<b>100%</b>	<b>100%</b>	

The fund may also invest in other assets (which are not set out above) that Smartshares considers are consistent with the permitted investments set out above and that appropriately reflect the risk profile of the fund and will contribute to the investment objective of the fund.

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term investments (and funds that primarily invest in cash and cash equivalents).

### Derivatives

The fund may use derivatives to gain exposure to assets that are consistent with the permitted investments set out above. The fund may not use derivatives to lever the fund.

### Hedging

The fund's foreign currency exposure is not hedged.

### Investment restrictions

The fund may borrow up to 10% of the fund's net asset value for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).



## Schedule 47 – SuperLife Default Fund

### Investment objective

Designed for investors that want a balanced investment option which excludes investments in illegal weapons (cluster munitions, anti-personnel mines and nuclear explosive devices) and fossil fuel production.

The Instrument of Appointment appointing Smartshares as a default KiwiSaver provider sets out requirements in respect of the investment of KiwiSaver default fund assets. The instrument is available on the offer register at [disclose-register.companiesoffice.govt.nz](https://disclose-register.companiesoffice.govt.nz).

### Investment strategy

Purpose	Asset class	Target	Range	Market index
Income	Cash and cash equivalents	9.2%	0% - 55%	S&P/NZX Bank Bills 90-Day Total Return Index
	New Zealand fixed interest	13.8%	0% - 55%	50% S&P/NZX A-Grade Corporate Bond Total Return Index 50% S&P/NZX NZ Government Bond Total Return Index
	International fixed interest	23%	0% - 55%	Bloomberg Global Treasury (Scaled) Hedged NZD Total Return Index
	<b>Total</b>	<b>46%</b>	<b>37% - 55%</b>	
Growth	Australasian equities	17%	0% - 63%	70% S&P/NZX 50 Gross with Imputation Index 15% S&P/ASX 200 Fossil Fuel Screened NZD Hedged Total Return Index 15% S&P/ASX 200 Fossil Fuel Screened Total Return Index (AUD)
	International equities	31%	0% - 63%	MSCI World ex Australia Custom ESG Leaders Net Total Return Index (50% NZD Hedged)
	Listed property	6%	0% - 63%	FTSE EPRA Nareit Developed ex Aus Rental Net Tax Index (100% NZD Hedged)
	<b>Total</b>	<b>54%</b>	<b>45% - 63%</b>	

Smartshares may from time to time rebalance the fund so that its actual asset allocation is consistent with its target asset allocation.



### Permitted investments

The fund may invest in the following assets:

- listed financial products;
- tradeable debt securities;
- any fund in the Smart Exchange Traded Funds or other managed investment scheme managed by Smartshares;
- any fund managed by a third party; and
- cash and cash equivalents.

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term investments (and funds that primarily invest in cash and cash equivalents).

### Exclusion – illegal weapons

The fund may not invest in companies that are involved in activities relating to illegal weapons (cluster munitions, anti-personnel mines and nuclear explosive devices).

The exclusion above applies to all investments:

- where the shares are held directly in companies that undertake the activities listed above;
- in shares of majority owners of excluded companies (for example, parent companies);
- in shares of subsidiary companies of excluded companies where that subsidiary has any involvement in the prescribed activity; and
- in managed investment schemes that have any investments in the companies listed above.

### Exclusion – fossil fuel production

The fund may not invest in companies that:

- own proved or probable reserves in coal, oil, or gas, and derive at least 15% of their revenue from exploration and extraction of coal, oil or gas; or
- has its primary business activity in any of the excluded subsectors prescribed in table 1 or table 2 of Schedule 5 of the KiwiSaver Default Provider (Smartshares) Notice 2021.

The exclusion above applies to all investments:

- where the shares are held directly in companies that undertake the activities listed above;
- in shares of majority owners of excluded companies (for example, parent companies);
- in shares of subsidiary companies of excluded companies where that subsidiary has any involvement in the prescribed activity; and
- in managed investment schemes that have any investments in the companies listed above.

For the purposes of this exclusion, oil includes tar sands, gas includes shale (as a source of gas) and metallurgical coal is not included in the term coal.



### Derivatives

The fund may use derivatives to gain exposure to assets that are consistent with the permitted investments set out above or to manage foreign currency exposures. The fund may not use derivatives to lever the fund.

The minimum over-the-counter derivative counterparty rating is A- issued by Standard & Poor's, or its equivalent issued by Moody's or Fitch.

If a counterparty has multiple credit ratings, Smartshares will use the highest credit rating of Standard & Poor's, Moody's or Fitch. If a counterparty is not rated by any of these rating agencies, Smartshares will decide a credit rating. If a counterparty is downgraded below the minimums set out above, Smartshares will decide the appropriate action.

### Hedging

The fund's foreign currency exposure is hedged to the New Zealand dollar. The target hedging level is 72% of the fund's foreign currency exposure. The actual hedging level can be anywhere in the 0% - 120% range.

### Investment restrictions

The fund may borrow up to 10% of the fund's net asset value for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, securities settlement or pay expenses).