



SUPERLIFE

a Member of the NZX Group

STATEMENT OF INVESTMENT POLICY AND OBJECTIVES (SIPO)



SuperLife Invest

19 August 2020



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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**), which is a wholly-owned subsidiary of NZX Limited (**NZX**).

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 suite of listed and unlisted 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 a diversified or efficient exposure. In these circumstances, it will use a systematic approach to actively manage a portfolio or select an external manager to perform this function.

3. Investment options

The Scheme has a range of investment options.

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.

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.

The diversified funds invest in the Smartshares Exchange Traded Funds or other managed investment scheme managed by Smartshares, managed investment schemes managed by third parties, directly held financial products (such as shares) and cash.



Ethical fund

The Ethica Fund is a socially responsible balanced fund which excludes assets that do not meet the fund's defined ethical investment standards.

The Ethica Fund invests in managed investment schemes managed by third parties, directly held financial products (such as shares) and cash.

Guest manager fund

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

The Castle Point 5 Oceans Fund invests in the Castle Point Fund managed by Castle Point Funds Management Limited.

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.

The sector funds invest in the Smartshares Exchange Traded Funds, managed investment schemes managed by third parties, directly held financial products¹ (such as shares) and cash.

Pacific Series funds

The Pacific Series is the section of the Scheme that comprises funds available to 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

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.

Hedging

Hedging involves removing some or all of the foreign currency risk implicit in owning international assets. This limits the impact of foreign exchange rate movements on investment performance.

¹ The NZ Share Fund may invest in directly held financial products. The other sector funds do not.



Each fund that has foreign currency exposure has a hedging policy. These are set out in the schedules to this SIPO.

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 financial product lending fee.

Loans are secured against collateral held by a custodian. The value of collateral must be at least 105% of the market value of the financial products being lent (as at the time of entry into the loan).

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

6. Investment governance and management

Board

The Board is responsible for managing and overseeing the business and affairs of Smartshares, including approving the investment strategies and the SIPOs for the managed investment schemes managed by Smartshares. The Board must ensure that the standards, systems, processes and controls necessary to provide good outcomes for investors are in place.

The directors on the Board are appointed by NZX.

Investment Oversight Committee

The Investment Oversight Committee (a Board committee) oversees Smartshares' investment management function, including:

- monitoring the investment performance and risk exposure of the managed investment schemes managed by Smartshares;
- establishing a framework for monitoring compliance with the SIPOs for the managed investment schemes managed by Smartshares;
- reviewing management's recommendations as to the appropriateness of the investment strategies and investment policies set out in the SIPOs for the managed investment schemes managed by Smartshares, and making recommendations to the Board in relation to any required SIPO amendments; and
- approving the appointment, or the termination, of external investment managers, and any other outsource providers that provide investment management functions.

The members of the Investment Oversight Committee are Smartshares directors and senior managers and are appointed by the Board.

The Investment Oversight Committee reports to the Board.

Chief Investment Officer

The Chief Investment Officer is responsible for:



- proposing investment strategy and policy advice to the Board for approval;
- implementing agreed investment policies and strategies;
- monitoring and reporting on the performance of investment strategies and of the Scheme; and
- monitoring the ongoing suitability of external investment managers.

The Chief Investment Officer reports to Smartshares' Chief Executive Officer.

Investment Management Committee

The Investment Management Committee (a management committee) provides the Chief Investment Officer recommendations in respect of investment strategy and policy.

Head of Risk and Compliance

The Head of Risk and Compliance is responsible for:

- overseeing the compliance of Smartshares' operations; and
- reporting all material issues or failures to comply with compliance obligations to the Board.

The Head of Risk and Compliance is a senior manager of Smartshares and reports to Smartshares' Chief Executive Officer.

Supervisor

The supervisor supervises Smartshares' operations to protect the interests of investors.

The supervisor is independent of Smartshares.

The supervisor is Public Trust.

Custodians

The custodians hold the Scheme's assets on behalf of investors.

The custodians are appointed by the supervisor and are independent of Smartshares.

The custodians are BNP Paribas Fund Services Australasia Pty Ltd (**BNP Paribas**) and Public Trust (acting through its nominee company, SuperLife Nominees Limited).

Administration manager

The administration manager provides asset valuation, unit pricing and fund accounting services.

The administration manager is BNP Paribas.

Investment advisers

The investment advisers provide investment advisory and related services for the Scheme.

The investment advisers are MyFiduciary Limited (for all the funds, other than the funds in the Pacific Series) and EriksensGlobal Limited (for the funds in the Pacific Series).



7. Investment performance monitoring and reporting

Smartshares monitors the investment performance of each of the funds in the Scheme.

Every month, Smartshares prepares investment performance reports and provides them to Smartshares' Chief Investment Officer.

Every quarter, Smartshares prepares the investment performance and compliance reports, and provides them to the Investment Oversight Committee.

Each quarter, the Investment Oversight Committee reports to the Board. The investment monitoring reports are also provided to the Board.

8. Investment strategy review

The Investment Oversight Committee reviews the Scheme's investment strategy annually.

The Investment Oversight Committee 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
- the Board instructs the Investment Oversight Committee to review the Scheme's investment strategy.

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

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

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

9. SIPO review

The Investment Oversight Committee reviews this SIPO annually.

The Investment Oversight Committee undertakes an ad hoc review of this SIPO if:

- changes to the law or the Financial Markets Authority's guidance necessitate changes to the Scheme's investment policies and objectives; or
- the Board instructs the 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.

The Investment Oversight Committee considers management's recommendations in respect of changes to the SIPO.

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



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



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	1%	73%	26%
52	2%	71%	27%
53	3%	69%	28%
54	4%	67%	29%



55	5%	65%	30%
56	6.50%	63.50%	30%
57	8%	62%	30%
58	9.50%	60.50%	30%
59	11%	59%	30%
60	12.50%	57.50%	30%
61	14%	56%	30%
62	15.50%	54.50%	30%
63	17%	53%	30%
64	18.50%	51.50%	30%
65	20%	50%	30%
66	20%	48%	32%
67	20%	46%	34%
68	20%	44%	36%
69	20%	42%	38%
70	20%	40%	40%
71	21%	38%	41%
72	22%	36%	42%
73	23%	34%	43%
74	24%	32%	44%
75	25%	30%	45%
76	26%	26%	48%
77	27%	22%	51%

78	28%	18%	54%
79	29%	14%	57%
80	30%	10%	60%
81	32%	8%	60%
82	34%	6%	60%
83	36%	4%	60%
84	38%	2%	60%
85	40%	-	60%
86	42%	-	58%
87	44%	-	56%
88	46%	-	54%
89	48%	-	52%
90	50%	-	50%
91	60%	-	40%
92	70%	-	30%
93	80%	-	20%
94	90%	-	10%
95	100%	-	-
96	100%	-	-
97	100%	-	-
98	100%	-	-
99	100%	-	-
100	100%	-	-



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	1%	0% - 100%	S&P/NZX Bank Bills 90-Day Index
	New Zealand fixed interest	34%	0% - 70%	S&P/NZX A-Grade Corporate Bond Index
	International fixed interest	65%	0% - 70%	50% Bloomberg Barclays Global Aggregate Index (100% hedged to the New Zealand dollar) 50% Bloomberg Barclays Global Aggregate Government-Related and Corporate Index (100% hedged to the New Zealand dollar)
	Total	100%	100%	

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:

- any fund in the Smartshares Exchange Traded Funds or other managed investment scheme managed by Smartshares;
- any managed investment scheme 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 highly liquid investments (and managed investment schemes 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 one 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 based on the perceived risk and expected return.

Hedging

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

Smartshares may from time to time change the hedging level so that the actual hedging level is consistent with the target hedging level.

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	1%	0% - 90%	S&P/NZX Bank Bills 90-Day Index
	New Zealand fixed interest	24%	0% - 50%	S&P/NZX A-Grade Corporate Bond Index
	International fixed interest	45%	0% - 60%	50% Bloomberg Barclays Global Aggregate Index (100% hedged to the New Zealand dollar) 50% Bloomberg Barclays Global Aggregate Government-Related and Corporate Index (100% hedged to the New Zealand dollar)
	Total	70%	50% - 90%	
Growth	Australasian equities	6.5%	0% - 30%	70% S&P/NZX 50 Portfolio Index 30% S&P/ASX 200 Index (75% hedged to the New Zealand dollar)
	International equities	16%	0% - 35%	62% FTSE Developed All-Cap Index (100% hedged to the New Zealand dollar) 21% FTSE Developed All-Cap Index (converted to the New Zealand dollar) 17% FTSE Emerging Markets All Cap China A Inclusion Index (converted to the New Zealand dollar)
	Listed property	7.5%	0% - 15%	25% S&P/NZX Real Estate Select Index 25% S&P/ASX 200 A-REIT Equal Weight Index (100% hedged to the New Zealand dollar) 50% FTSE EPRA/NAREIT developed ex Australia rental index (100% hedged to the New Zealand dollar)
	Total	30%	10% - 50%	

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:

- any fund in the Smartshares Exchange Traded Funds or other managed investment scheme managed by Smartshares;
- any managed investment scheme 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 highly liquid investments (and managed investment schemes 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 one 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 based on the perceived risk and expected return.

Hedging

The fund's foreign currency exposure is hedged to the New Zealand dollar. The target hedging level is 91%. The actual hedging level can be anywhere in the 0% - 120% range.

Smartshares may from time to time change the hedging level so that the actual hedging level is consistent with the target hedging level.

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	1%	0% - 60%	S&P/NZX Bank Bills 90-Day Index
	New Zealand fixed interest	13%	0% - 30%	S&P/NZX A-Grade Corporate Bond Index
	International fixed interest	26%	0% - 40%	50% Bloomberg Barclays Global Aggregate Index (100% hedged to the New Zealand dollar) 50% Bloomberg Barclays Global Aggregate Government-Related and Corporate Index (100% hedged to the New Zealand dollar)
	Total	40%	20% - 60%	
Growth	Australasian equities	14.5%	0% - 40%	70% S&P/NZX 50 Portfolio Index 30% S&P/ASX 200 Index (75% hedged to the New Zealand dollar)
	International equities	38%	0% - 50%	62% FTSE Developed All-Cap Index (100% hedged to the New Zealand dollar) 21% FTSE Developed All-Cap Index (converted to the New Zealand dollar) 17% FTSE Emerging Markets All Cap China A Inclusion Index (converted to the New Zealand dollar)
	Listed property	7.5%	0% - 20%	25% S&P/NZX Real Estate Select Index 25% S&P/ASX 200 A-REIT Equal Weight Index (100% hedged to the New Zealand dollar) 50% FTSE EPRA/NAREIT developed ex Australia rental index (100% hedged to the New Zealand dollar)
	Total	60%	40% - 80%	

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:

- any fund in the Smartshares Exchange Traded Funds or other managed investment scheme managed by Smartshares;
- any managed investment scheme 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 highly liquid investments (and managed investment schemes 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 one 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 based on the perceived risk and expected return.

Hedging

The fund's foreign currency exposure is hedged to the New Zealand dollar. The target hedging level is 84%. The actual hedging level can be anywhere in the 0% - 120% range.

Smartshares may from time to time change the hedging level so that the actual hedging level is consistent with the target hedging level.

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	1%	0% - 40%	S&P/NZX Bank Bills 90-Day Index
	New Zealand fixed interest	6.5%	0% - 20%	S&P/NZX A-Grade Corporate Bond Index
	International fixed interest	12.5%	0% - 30%	50% Bloomberg Barclays Global Aggregate Index (100% hedged to the New Zealand dollar) 50% Bloomberg Barclays Global Aggregate Government-Related and Corporate Index (100% hedged to the New Zealand dollar)
	Total	20%	5% - 40%	
Growth	Australasian equities	20%	0% - 50%	70% S&P/NZX 50 Portfolio Index 30% S&P/ASX 200 Index (75% hedged to the New Zealand dollar)
	International equities	52.5%	0% - 60%	62% FTSE Developed All-Cap Index (100% hedged to the New Zealand dollar) 21% FTSE Developed All-Cap Index (converted to the New Zealand dollar) 17% FTSE Emerging Markets All Cap China A Inclusion Index (converted to the New Zealand dollar)
	Listed property	7.5%	0% - 25%	25% S&P/NZX Real Estate Select Index 25% S&P/ASX 200 A-REIT Equal Weight Index (100% hedged to the New Zealand dollar) 50% FTSE EPRA/NAREIT developed ex Australia rental index (100% hedged to the New Zealand dollar)
	Total	80%	60% - 95%	

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:

- any fund in the Smartshares Exchange Traded Funds or other managed investment scheme managed by Smartshares;
- any managed investment scheme 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 highly liquid investments (and managed investment schemes 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 one 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 based on the perceived risk and expected return.

Hedging

The fund's foreign currency exposure is hedged to the New Zealand dollar. The target hedging level is 80%. The actual hedging level can be anywhere in the 0% - 120% range.

Smartshares may from time to time change the hedging level so that the actual hedging level is consistent with the target hedging level.

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 Index
	Total	1%	0% - 20%	
Growth	Australasian equities	25.5%	0% - 60%	70% S&P/NZX 50 Portfolio Index 30% S&P/ASX 200 Index (75% hedged to the New Zealand dollar)
	International equities	66%	0% - 80%	62% FTSE Developed All-Cap Index (100% hedged to the New Zealand dollar) 21% FTSE Developed All-Cap Index (converted to the New Zealand dollar) 17% FTSE Emerging Markets All Cap China A Inclusion Index (converted to the New Zealand dollar)
	Listed property	7.5%	0% - 25%	25% S&P/NZX Real Estate Select Index 25% S&P/ASX 200 A-REIT Equal Weight Index (100% hedged to the New Zealand dollar) 50% FTSE EPRA/NAREIT developed ex Australia rental index (100% hedged to the New Zealand dollar)
	Total	99%	80% - 100%	



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:

- any fund in the Smartshares Exchange Traded Funds or other managed investment scheme managed by Smartshares;
- any managed investment scheme 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 highly liquid investments (and managed investment schemes 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 one 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 based on the perceived risk and expected return.

Hedging

The fund's foreign currency exposure is hedged to the New Zealand dollar. The target hedging level is 77%. The actual hedging level can be anywhere in the 0% - 120% range.

Smartshares may from time to time change the hedging level so that the actual hedging level is consistent with the target hedging level.

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 balanced investment option. A socially responsible fund which excludes assets that do not meet the fund's defined ethical investment standards.

Investment strategy

Purpose	Asset class	Target	Range	Market index
Income	Cash and cash equivalents	1%	0% - 50%	S&P/NZX Bank Bills 90-Day Index
	New Zealand fixed interest	13%	0% - 55%	S&P/NZX NZ Government Bond Index
	International fixed interest	26%	0% - 55%	Bloomberg Barclays Global Aggregate Index (100% hedged to the New Zealand dollar)
	Total	40%	20% - 60%	
Growth	Australasian equities	14.5%	0% - 50%	70% S&P/NZX 50 Portfolio Index 30% S&P/ASX 200 Index (75% hedged to the New Zealand dollar)
	International equities	38%	0% - 50%	FTSE Developed All-Cap Index (75% hedged to the New Zealand dollar)
	Listed property	7.5%	0% - 30%	25% S&P/NZX Real Estate Select Index 25% S&P/ASX 200 A-REIT Equal Weight Index (100% hedged to the New Zealand dollar) 50% FTSE EPRA/NAREIT developed ex Australia rental index (100% hedged to the New Zealand dollar)
	Total	60%	40% - 80%	

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:

- financial products listed on the NZX or an international stock exchange (which is a member of the World Federation of Exchanges);



- tradeable debt securities;
- any fund in the Smartshares Exchange Traded Funds or other managed investment scheme managed by Smartshares;
- any managed investment scheme 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 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 highly liquid investments (and managed investment schemes that primarily invest in cash and cash equivalents).

Ethical investment standards

The fund may not invest in investments where (in Smartshares' opinion) the activities of the entities behind the investment:

- have an overall negative impact on social and community outcomes; or
- would be illegal in New Zealand; or
- are inconsistent with the United Nations' policies on health and safety, child rights and human rights; or
- are expected to result in long-term, detrimental change to the environment.

Current investments and sectors that are excluded are those where a material part of their revenue and/or activities are in the areas of gambling, tobacco, alcohol, armaments, pornography and fossil fuel extraction.

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 one 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 based on the perceived risk and expected return.

Hedging

The fund's foreign currency exposure is not hedged, but the fund invests in other funds which foreign currency exposure is 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).



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 Fund managed by Castle Point Funds Management Limited and cash and cash equivalents.

Information about the Castle Point Fund managed by Castle Point Funds Management Limited (including its investment strategy, asset allocation and permitted investments) is set out in the Castle Point Funds Scheme's SIPO available at www.castlepointfunds.com.

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

Hedging

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

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.

Other

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 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 Index
Australasian equities	Smartshares S&P/NZX 50 ETF	100%	90% - 100%	
Total		100%	100%	

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term highly liquid investments (and managed investment schemes 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%	
Total	100%	100%	

Permitted investments

The fund may invest in the following assets:

- financial products listed on NZX Main Board;
- any fund in the Smartshares Exchange Traded Funds or other managed investment scheme managed by Smartshares;
- any managed investment scheme 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 highly liquid investments (and managed investment schemes 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 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	Smartshares NZ Top 50 ETF	100%	90% - 100%	
Total		100%	100%	

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term highly liquid investments (and managed investment schemes 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	Smartshares NZ Top 10 ETF	100%	90% - 100%	
Total		100%	100%	

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term highly liquid investments (and managed investment schemes 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	Smartshares NZ Mid Cap ETF	100%	90% - 100%	
Total		100%	100%	

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term highly liquid investments (and managed investment schemes 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	Smartshares NZ Dividend ETF	100%	90% - 100%	
Total		100%	100%	

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term highly liquid investments (and managed investment schemes 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	Smartshares NZ Property ETF	100%	90% - 100%	
Total		100%	100%	

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term highly liquid investments (and managed investment schemes 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 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 Index (converted to the New Zealand dollar)
Australasian equities	Smartshares S&P/ASX 200 ETF	100%	90% - 100%	
Total		100%	100%	

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term highly liquid investments (and managed investment schemes 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%	S&P/ASX 200 Index (75% hedged to the New Zealand dollar)
Australasian equities	100%	90% - 100%	
Total	100%	100%	

Permitted investments

The fund may invest in the following assets:

- any fund in the Smartshares Exchange Traded Funds or other managed investment scheme managed by Smartshares;
- any managed investment scheme 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 highly liquid investments (and managed investment schemes 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 one 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 based on the perceived risk and expected return.

Hedging

The fund's foreign currency exposure is hedged to the New Zealand dollar. The target hedging level is 75%. The actual hedging level can be anywhere in the 0% - 120% range.

Smartshares may from time to time change the hedging level so that the actual hedging level is consistent with the target hedging level.



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 (converted to the New Zealand dollar)
Australasian equities	Smartshares Australian Top 20 ETF	100%	90% - 100%	
Total		100%	100%	

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term highly liquid investments (and managed investment schemes 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 (converted to the New Zealand dollar)
Australasian equities	Smartshares Australian Mid Cap ETF	100%	90% - 100%	
Total		100%	100%	

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term highly liquid investments (and managed investment schemes 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 (converted to the New Zealand dollar)
Australasian equities	Smartshares Australian Dividend ETF	100%	90% - 100%	
Total		100%	100%	

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term highly liquid investments (and managed investment schemes 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 (converted to the New Zealand dollar)
Australasian equities	Smartshares Australian Financials ETF	100%	90% - 100%	
Total		100%	100%	

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term highly liquid investments (and managed investment schemes 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 (converted to the New Zealand dollar)
Australasian equities	Smartshares Australian Resources ETF	100%	90% - 100%	
Total		100%	100%	

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term highly liquid investments (and managed investment schemes 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 (converted to the New Zealand dollar)
Listed property	Smartshares Australian Property ETF	100%	90% - 100%	
Total		100%	100%	

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term highly liquid investments (and managed investment schemes 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 (converted to the New Zealand dollar)
International equities	Smartshares US 500 ETF (which invests in the Vanguard S&P 500 ETF)	100%	90% - 100%	
Total		100%	100%	

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term highly liquid investments (and managed investment schemes 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 (converted to the New Zealand dollar)
International equities	Smartshares US Large Growth ETF (which invests in the Vanguard Growth ETF)	100%	90% - 100%	
Total		100%	100%	

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term highly liquid investments (and managed investment schemes 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 (converted to the New Zealand dollar)
International equities	Smartshares US Large Value ETF (which invests in the Vanguard Value ETF)	100%	90% - 100%	
Total		100%	100%	

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term highly liquid investments (and managed investment schemes 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 (converted to the New Zealand dollar)
International equities	Smartshares US Mid Cap ETF (which invests in the Vanguard Mid Cap ETF)	100%	90% - 100%	
Total		100%	100%	

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term highly liquid investments (and managed investment schemes 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 (converted to the New Zealand dollar)
International equities	Smartshares US Small Cap ETF (which invests in the Vanguard Small Cap ETF)	100%	90% - 100%	
Total		100%	100%	

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term highly liquid investments (and managed investment schemes 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 reflect the return (before tax, fees and other expenses) on the international share markets of developed economies.

Investment strategy

Asset class	Target	Range	Market index
Cash and cash equivalents	0%	0% - 10%	FTSE Developed All-Cap Index (converted to the New Zealand dollar)
International equities	100%	90% - 100%	
Total	100%	100%	

Permitted investments

The fund may invest in the following assets:

- any fund in the Smartshares Exchange Traded Funds or other managed investment scheme managed by Smartshares;
- any managed investment scheme 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 highly liquid investments (and managed investment schemes 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 reflect the return (before tax, fees and other expenses) on international share markets of developed economies, hedged to the New Zealand dollar.

Investment strategy

Asset class	Target	Range	Market index
Cash and cash equivalents	0%	0% - 10%	FTSE Developed All-Cap Index (100% hedged to the New Zealand dollar)
International equities	100%	90% - 100%	
Total	100%	100%	

Permitted investments

The fund may invest in the following assets:

- any fund in the Smartshares Exchange Traded Funds or other managed investment scheme managed by Smartshares;
- any managed investment scheme 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 highly liquid investments (and managed investment schemes 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 one 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 based on the perceived risk and expected return.

Hedging

The fund's foreign currency exposure is hedged to the New Zealand dollar. The target hedging level is 100% (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) on the FTSE Global 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 Global All Cap Index (converted to the New Zealand dollar)
International equities	Smartshares Total World ETF (which invests in the Vanguard Total World Stock ETF)	100%	90% - 100%	
Total		100%	100%	

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term highly liquid investments (and managed investment schemes 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) on the FTSE Global All Cap Index, hedged to the New Zealand dollar.

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 Global All Cap Index (100% hedged to the New Zealand dollar)
International equities	Smartshares Total World (NZD Hedged) ETF (which invests in the Vanguard Total World Stock ETF, 100% hedged to the New Zealand dollar)	100%	90% - 100%	
Total		100%	100%	

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term highly liquid investments (and managed investment schemes 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 Smartshares Total World (NZD Hedged) ETF, which foreign currency exposure is 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).



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 (converted to the New Zealand dollar)
International equities	Smartshares Asia Pacific ETF (which invests in the Vanguard FTSE Pacific ETF)	100%	90% - 100%	
Total		100%	100%	

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term highly liquid investments (and managed investment schemes 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 reflect the return (before tax, fees and other expenses) on international share markets of emerging economies.

Investment strategy

Asset class	Target	Range	Market index
Cash and cash equivalents	0%	0% - 10%	FTSE Emerging Markets All Cap China A Inclusion Index (converted to the New Zealand dollar)
International equities	100%	90% - 100%	
Total	100%	100%	

Permitted investments

The fund may invest in the following assets:

- any fund in the Smartshares Exchange Traded Funds or other managed investment scheme managed by Smartshares;
- any managed investment scheme 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 highly liquid investments (and managed investment schemes 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 one 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 based on the perceived risk and expected return.

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 (converted to the New Zealand dollar)
International equities	Smartshares Europe ETF (which invests in the Vanguard FTSE Europe ETF)	100%	90% - 100%	
Total		100%	100%	

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term highly liquid investments (and managed investment schemes 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% hedged to the New Zealand dollar)
Total	100%	100%	50% FTSE EPRA/NAREIT developed ex Australia rental index (100% hedged to the New Zealand dollar)

Permitted investments

The fund may invest in the following assets:

- any fund in the Smartshares Exchange Traded Funds or other managed investment scheme managed by Smartshares;
- any managed investment scheme 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 highly liquid investments (and managed investment schemes 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 one 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 based on the perceived risk and expected return.

Hedging

The fund's foreign currency exposure is hedged to the New Zealand dollar. The target hedging level is 100% (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 reflect the return (before tax, fees and other expenses) on the New Zealand bond market.

Investment strategy

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

Permitted investments

The fund may invest in the following assets:

- any fund in the Smartshares Exchange Traded Funds or other managed investment scheme managed by Smartshares;
- any managed investment scheme 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 highly liquid investments (and managed investment schemes 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 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 Index
New Zealand fixed interest	Smartshares S&P/NZX NZ Government Bond ETF	100%	90% - 100%	
Total		100%	100%	

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term highly liquid investments (and managed investment schemes 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 Barclays Global Aggregate Index (100% hedged to the New Zealand dollar)
International fixed interest	100%	90% - 100%	
Total	100%	100%	

Permitted investments

The fund may invest in the following assets:

- any fund in the Smartshares Exchange Traded Funds or other managed investment scheme managed by Smartshares;
- any managed investment scheme 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 highly liquid investments (and managed investment schemes 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 not hedged, but the fund invests in other funds which foreign currency exposure is 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).



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 Barclays Global Aggregate Government-Related and Corporate Index (100% hedged to the New Zealand dollar)
International fixed interest	100%	90% - 100%	
Total	100%	100%	

Permitted investments

The fund may invest in the following assets:

- any fund in the Smartshares Exchange Traded Funds or other managed investment scheme managed by Smartshares;
- any managed investment scheme 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 highly liquid investments (and managed investment schemes 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 one 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 based on the perceived risk and expected return.

Hedging

The fund's foreign currency exposure is hedged to the New Zealand dollar. The target hedging level is 100% (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) on the Bloomberg Barclays Global Aggregate Bond Index, hedged to the New Zealand dollar.

Investment strategy and permitted investments

Asset class	Permitted investments	Target	Range	Market index
Cash and cash equivalents	Cash and cash equivalents	0%	0% - 10%	Bloomberg Barclays Global Aggregate Index (100% hedged to the New Zealand dollar)
International fixed interest	Smartshares Global Aggregate Bond ETF (which invests in the iShares Core Global Aggregate Bond UCITS ETF NZD Hedged (Acc))	100%	90% - 100%	
Total		100%	100%	

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term highly liquid investments (and managed investment schemes 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 Smartshares Global Aggregate Bond ETF which invests in the iShares Core Global Aggregate Bond UCITS ETF NZD Hedged (Acc), which foreign currency exposure is 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).



Schedule 42 – NZ Cash Fund

Investment objective

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

Investment strategy

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

Permitted investments

The fund may invest in the following assets:

- any fund in the Smartshares Exchange Traded Funds or other managed investment scheme managed by Smartshares;
- any managed investment scheme 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 highly liquid investments (and managed investment schemes 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 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%	3-month UK treasury bill rate (converted to the New Zealand dollar)
Total	100%	100%	

Permitted investments

The fund may invest in the following assets:

- any managed investment scheme managed by a third party denominated in UK pounds; and
- 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 highly liquid investments (and managed investment schemes 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).



PACIFIC SERIES FUNDS

Schedule 44 – SuperLife Balanced (Australian Dollar) Fund

Investment objective

Designed for investors that want a balanced investment option. The fund is denominated in Australian dollars.

Investment strategy

Purpose	Asset class	Target	Range	Market index
Income	Cash and cash equivalents	50%	0% - 100%	Reserve Bank of Australia Cash Rate Total Return Index
	Total	50%	0% - 100%	
Growth	Australasian equities	50%	0% - 100%	S&P/ASX 300 Index
	International equities	0%	0% - 100%	MSCI World ex-Australia (converted to the Australian dollar)
	Total	50%	0% - 100%	

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:

- any managed investment scheme managed by a third party denominated in Australian dollars; and
- cash and cash equivalents denominated in Australian dollars.

The fund may also invest in other assets (which are not set out above) that Smartshares considers are consistent with 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 highly liquid investments (and managed investment schemes 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 45 – Schroder Australian Equity Fund

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.

Information about the Schroder Australian Equity Fund is available at www.schroders.com.

Cash and cash equivalents include cash on hand, deposits held at call with banks or the custodian, and other short-term highly liquid investments (and managed investment schemes 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 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%	
	Total	100%	100%	

The fund may also invest in other assets (which are not set out above) that Smartshares considers are consistent with 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 highly liquid investments (and managed investment schemes 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).