

Smartshares KiwiSaver scheme

Annual Report 2017

Year Ended 31 March 2017

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Investment returns for the 12 months to 31 March 2017

After total fund charges and tax at the prescribed investor rate (PIR) of 28%

Sector Funds	%
smartkiwi Conservative Fund*	n/a
smartkiwi Balanced Fund	7.31
smartkiwi Growth Fund	10.37

* The smartkiwi Conservative Fund currently holds no investments.

The investment performance has been calculated based on the return achieved on a single investment made at the start of the year.

Statutory information

The information set out in this section is required by Part 5, Schedule 4 of the Financial Markets Conduct Regulations 2014.

Details of the Scheme

This is the annual report for the Smartshares KiwiSaver Scheme (SCH11191) (the Scheme) for the year ended 31 March 2017. The Scheme is a KiwiSaver scheme.

The Scheme's manager is Smartshares Limited (Smartshares or Manager), which is a wholly owned subsidiary of NZX Limited (NZX) and the supervisor is The New Zealand Guardian Trust Company Limited (the Supervisor).

The Scheme is closed to new members, therefore there is no product disclosure statement for the Scheme. The latest fund update for each fund in the Scheme is dated 27 April 2017.

The Scheme's latest financial statements for the year ended 31 March 2017, including the auditor's report relating to those statements, have been lodged with the Registrar.

Copies of the financial statements, audit report and fund updates are available online at www.smartshares.co.nz/types-of-funds/disclosure-statements. Alternatively you can find them at www.companiesoffice.govt.nz/disclose.

Information on contributions and Scheme participants

The table below shows the numerical changes in the Scheme participants for the year ended 31 March 2017.

Membership details
Scheme participants
Total number of Scheme participants at 1 April 2016

Total number of contributing Scheme participants	7
Total number of non-contributing Scheme participants	5
	12

Total number of persons who became Scheme participants during the period

Transfers from other schemes	-
Other new members	-
	-

Total number of persons who ceased to be Scheme participants during the period

Due to retirement	-
Due to death	-
Due to transfers to other schemes	2
For other reasons	-
	2

Total number of Scheme participants at 31 March 2017

Total number of contributing Scheme participants	7
Total number of non-contributing Scheme participants	3
	10

Members' accumulations

	31 March 2017	1 April 2016
Total amount of Scheme participants' accumulations	\$1,243,465	\$1,505,608
Number of Scheme participants to which that relates	10	12

Contributions

	YE 31 March 17 (\$)	YE 31 March 17 (# members)
Member contributions	\$24,105	6
Employer or other sponsor contributions	\$13,275	6
Member voluntary additional contributions	\$348	1
Total amount of contributions received in the period	\$37,728	

Changes relating to the Scheme

The Scheme transitioned to the Financial Markets Conduct Act 2013 (FMCA) regime on 29 November 2016. The Scheme's Trust Deed was amended principally to ensure compliance with the requirements of the FMCA.

A Statement of Investment Policy and Objectives (SIPO) was also adopted. The SIPO sets out the investment governance and management framework, philosophy, strategies and objectives for the Scheme.

As the number of members reduced to 12 by 31 March 2016, the Scheme was no longer considered a portfolio investment entity (PIE). All members were taxed at 28% from 1 April 2016.

Related party transactions

The following related party transactions were approved in the accounting period:

- Smartshares buying and selling financial products issued by related entities (including NZX Limited and other managed investment schemes that are managed by Smartshares, in particular SuperLife Invest) as set out in the SIPO.

All related party transactions are conducted on arm's length terms.

Other information for particular types of managed funds

The number of Scheme participants who made a permitted withdrawal under the KiwiSaver Act 2006 and the Scheme's Trust Deed were as follows.

Permitted withdrawals	Number of members
Retirement	-
Death	-
Significant financial hardship	-
Serious illness	-
Mortgage diversion	-
First home withdrawal	-
Permanent emigration	-
Transfers to other KiwiSaver provider	2
Transfer to Australian superannuation scheme	-
Other permitted withdrawals	-
Total number of Scheme participants in receipt of benefit	2

Crediting rate

The investment returns of the individual funds are set out on page 3 (after total fund charges, and after tax at 28%) and will vary for each member depending on the investment option(s) chosen, prescribed investor rate (PIR), and contributions or withdrawals.

Manager's statement

All the benefits required to be paid from the Scheme in accordance with the terms of the Trust Deed and the KiwiSaver scheme rules have been paid.

The market value of the assets of the Scheme property at 31 March 2017 equalled the total value of the benefits that would have been payable had all the members of the Scheme ceased to be members at that date and had provisions been made for the continued payment of all benefits being paid to members and other beneficiaries as at 31 March 2017.

Changes to persons involved in the Scheme

Administration Manager

On 1 April 2016 the administration of the Scheme moved from Aon New Zealand to Smartshares Limited.

Manager

Timothy Oliver Bennett resigned as a director of Smartshares on 30 December 2016. Paul James Baldwin was appointed as a director on 30 December 2016.

Supervisor

Andrew Howard Barnes and Timothy James Shaw resigned as directors of the Supervisor on 4 April 2016 and 3 August 2016, respectively.

How to find further information

For further information relating to the Scheme and your investment options, including the PDS, financial statements, annual reports, fund updates and the SIPO, visit the Disclose Register at www.companiesoffice.govt.nz/disclose. A copy of the information on the Disclose Register is available on request to the Registrar of Financial Service Providers.

The information set out above is also available by contacting the Manager (see page 7 for contact details). The information can be obtained from the Manager free of charge.

Contact details and complaints

Manager

The Manager's contact details are:

Smartshares Limited
PO Box 105262
Auckland 1143
Telephone: 0800 27 87 37
Email: superlife@superlife.co.nz

Complaints about the Scheme can be made to the Manager using the contact details set out above. Please direct complaints to NZX Head of Funds Management at the address set out above.

Supervisor

The Supervisor's contact details are:

Attention: The Manager, Corporate Trusts
The New Zealand Guardian Trust Limited
PO Box 274, Shortland Street
Auckland 1140
Telephone: 0800 878 782
Email: ct-auckland@nzgt.co.nz

Complaints about the Scheme can be made to the Supervisor using the contact details set out above.

Independent dispute resolution scheme

The independent dispute resolution scheme's contact details are:

Financial Services Complaints Limited
PO Box 5967
Wellington 6140
Telephone: 0800 347 257
Email: complaints@fscl.org.nz

Smartshares is a member of the Financial Services Complaints Limited Scheme (the Supervisor is also a member), which is an independent dispute resolution scheme. Complaints about the Scheme can be made to the independent dispute resolution scheme using the contact details set out above. The independent dispute resolution scheme will not charge a complainant a fee to investigate or resolve a complaint.