

# Smartshares Exchange Traded Funds

## Smartshares Australian Dividend ETF

### Fund update for the quarter ended 30 June 2019

This fund update was first made publicly available on 26 July 2019.

### What is the purpose of this update?

This document tells you how the Smartshares Australian Dividend ETF has performed and what fees were charged. The document will help you to compare the fund with other funds. Smartshares Limited prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

### Description of this fund

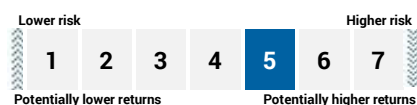
The Smartshares Australian Dividend ETF invests in financial products listed on the Australian Securities Exchange and is designed to track the return on the S&P/ASX Dividend Opportunities Index.

Total value of the fund: \$25,562,020

The date the fund started: 16 December 2014

### What are the risks of investing?

#### Risk indicator for the Smartshares Australian Dividend ETF<sup>1</sup>



The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the fund's assets goes up and down. A higher risk generally means higher potential returns over time, but more ups and downs along the way.

To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at [www.sorted.org.nz/tools/investor-kickstarter](http://www.sorted.org.nz/tools/investor-kickstarter).

Note that even the lowest category does not mean a risk-free investment, and there are other risks that are not captured by this rating.

This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the returns data for 5 years to 30 June 2019. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates.

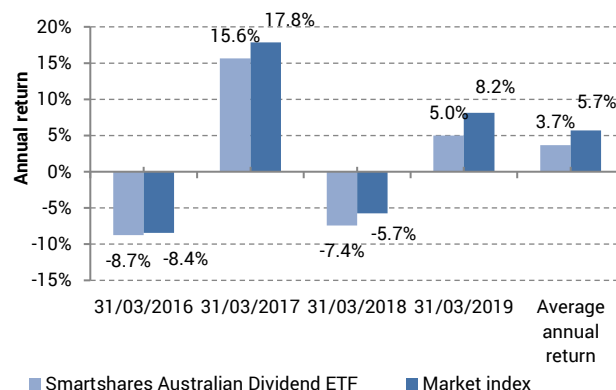
See the Product Disclosure Statement for the Smartshares Exchange Traded Funds for more information about the risks associated with investing in this fund.

### How has the fund performed?

|                                                                                  | Past year |
|----------------------------------------------------------------------------------|-----------|
| <b>Annual return</b><br>(after deductions for charges and tax)                   | 1.49%     |
| <b>Annual return</b><br>(after deductions for charges but before tax)            | 2.64%     |
| <b>Market index annual return</b><br>(reflects no deduction for charges and tax) | 4.51%     |

The market index annual return is based on the annual return of the S&P/ASX Dividend Opportunities Index (converted to the New Zealand dollar). Additional information about the market index is available in the 'Other Material Information' document on the offer register at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz).

### Annual return graph





This shows the return after fund charges and tax for each year ending 31 March since the fund started. The last bar shows the average annual return since the fund started, up to 30 June 2019.

**Important:** This does not tell you how the fund will perform in the future.

Returns in this update are after tax at 28%.

## What fees are investors charged?

Investors in the Smartshares Australian Dividend ETF are charged fund charges. In the year to 31 March 2019 these were:

|  | % per annum of fund's net asset value |
|--|---------------------------------------|
|--|---------------------------------------|

|                           |       |
|---------------------------|-------|
| <b>Total fund charges</b> | 0.54% |
|---------------------------|-------|

Which are made up of:

|                                                    |       |
|----------------------------------------------------|-------|
| <b>Total management and administration charges</b> | 0.54% |
|----------------------------------------------------|-------|

Including:

|                                             |       |
|---------------------------------------------|-------|
| Manager's basic fee                         | 0.54% |
| Other management and administration charges | 0.00% |

Investors may also be charged individual action fees for specific actions or decisions (for example, for initial contributions to the fund). See the Product Disclosure Statement for the Smartshares Exchange Traded Funds for more information about those fees.

Small differences in fees and charges can have a big impact on your investment over the long term.

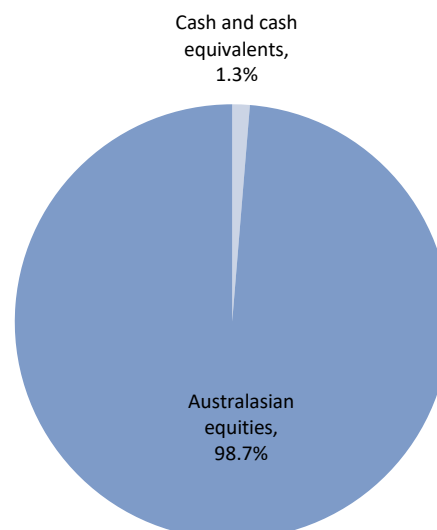
## Example of how this applies to an investor

Tara had \$10,000 in the fund and did not make any further contributions. At the end of the year, Tara received a return after fund charges were deducted of \$149 (that is 1.49% of her initial \$10,000). This gives Tara a total return after tax of \$149 for the year.

## What does the fund invest in?

### Actual investment mix

This shows the types of assets that the fund invests in.



### Target investment mix

This shows the mix of assets that the fund generally intends to invest in.

| Asset Category               | Target asset mix |
|------------------------------|------------------|
| Cash and cash equivalents    | -                |
| New Zealand fixed interest   | -                |
| International fixed interest | -                |
| Australasian equities        | 100.00%          |
| International equities       | -                |
| Listed property              | -                |
| Unlisted property            | -                |
| Commodities                  | -                |
| Other                        | -                |



## Top 10 investments

| Name                           | % of fund's net asset value | Type                  | Country   | Credit rating (if applicable) |
|--------------------------------|-----------------------------|-----------------------|-----------|-------------------------------|
| Rio Tinto Ltd                  | 11.66%                      | Australasian equities | Australia |                               |
| Commonwealth Bank of Australia | 10.31%                      | Australasian equities | Australia |                               |
| Wesfarmers Ltd                 | 9.97%                       | Australasian equities | Australia |                               |
| South32 Ltd                    | 6.84%                       | Australasian equities | Australia |                               |
| Macquarie Group Ltd            | 6.51%                       | Australasian equities | Australia |                               |
| Fortescue Metals Group Ltd     | 5.56%                       | Australasian equities | Australia |                               |
| APA Group                      | 4.89%                       | Australasian equities | Australia |                               |
| Alumina Ltd                    | 4.68%                       | Australasian equities | Australia |                               |
| Suncorp Group Ltd              | 4.11%                       | Australasian equities | Australia |                               |
| Tabcorp Holdings Ltd           | 4.06%                       | Australasian equities | Australia |                               |

The top 10 investments make up 68.59% of the fund's net asset value.

## Currency hedging

The fund's foreign currency exposure is not hedged.

## Key personnel

This shows the directors and employees who have the most influence on the investment decisions of the fund:

| Name                  | Current position                      | Time in current position | Previous or other positions                                    | Time in previous / other position |
|-----------------------|---------------------------------------|--------------------------|----------------------------------------------------------------|-----------------------------------|
| Guy Roulston Elliffe  | Director                              | 3 years and 7 months     | Corporate Governance Manager - ACC                             | 4 years and 2 months              |
| Mark John Peterson    | Director                              | 1 year and 8 months      | Chief Executive Officer - NZX                                  | 2 years and 5 months              |
| Hugh Duncan Stevens   | Chief Executive Officer - Smartshares | 1 year and 4 months      | Chief Operating Officer - Implemented Investment Solutions Ltd | 2 years and 6 months              |
| Alister John Williams | Director                              | 3 years and 7 months     | Investment Manager - Trust Management                          | 4 years and 5 months              |
| Lindsay Megan Wright  | Director                              | 1 year                   | Director - NZX                                                 | 1 year and 4 months               |

## Further information

You can also obtain this information, the Product Disclosure Statement for the Smartshares Exchange Traded Funds, and some additional information from the offer register at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz).

## Notes

- 1 Market index returns (as well as actual returns) have been used to complete the risk indicator, as the fund has not been in existence for 5 years. As a result, the risk indicator may provide a less reliable indicator of the potential future volatility of the fund. The risk indicator for the fund uses 6 months of market index returns.