Smartshares Exchange Traded Funds

Smartshares NZ Cash ETF

Fund update for the quarter ended 31 December 2021

This fund update was first made publicly available on 14 February 2022.

What is the purpose of this update?

This document tells you how the Smartshares NZ Cash 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

Invests in New Zealand cash, with the objective of outperforming the S&P/NZX Bank Bills 90-Day Index over rolling 1-year periods.

Total value of the fund:	$396,710,532
The date the fund started:	12 November 2015

What are the risks of investing?

Risk indicator for the Smartshares NZ Cash ETF

Lower risk — Higher risk

1	2	3	4	5	6	7

Potentially lower returns — Potentially higher returns

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 [sorted.org.nz/tools/investor-kickstarter.](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 31 December 2021. 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.

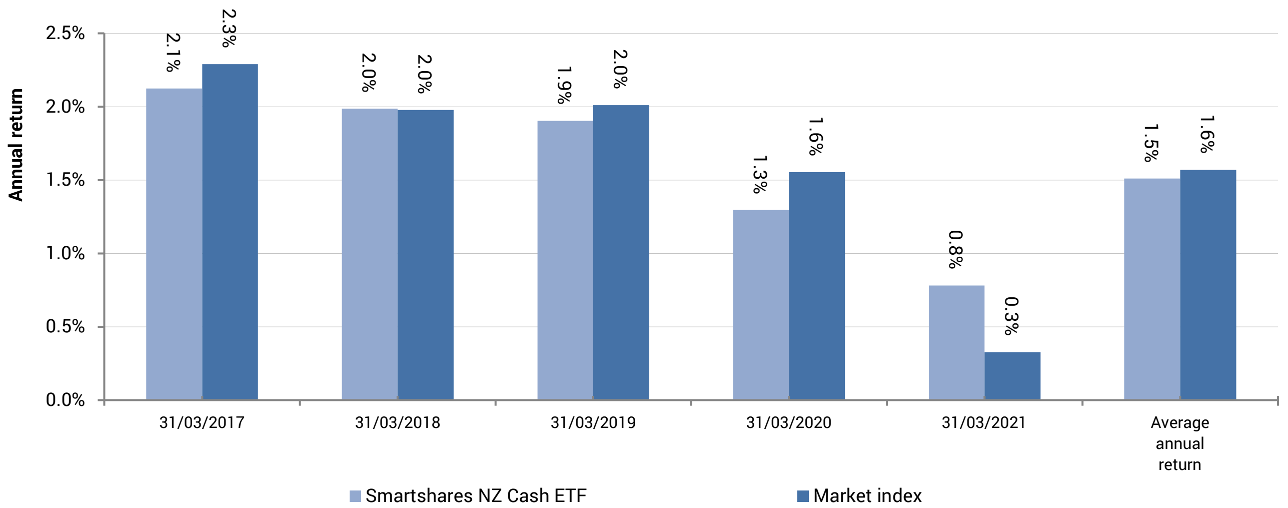
See the Product Disclosure Statement for the Smartshares Exchange Traded Funds – Core Series for more information about the risks associated with investing in this fund.

How has the fund performed?

	Average over past 5 years	Past year
Annual return (after deductions for charges and tax)	1.36%	0.41%
Annual return (after deductions for charges but before tax)	1.89%	0.57%
Market index annual return (reflects no deduction for charges and tax)	1.34%	0.39%

The market index annual return is based on the annual return of the S&P/NZX Bank Bills 90-Day Index. Additional information about the market index is available in the 'Other Material Information' document on the offer register at 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 31 December 2021.

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

Returns in this update are after tax at the highest prescribed investor rate (PIR) of tax for an individual New Zealand resident. Your tax may be lower.

What fees are investors charged?

Investors in the Smartshares NZ Cash ETF are charged fund charges. In the year to 31 March 2021 these were:

	% per annum of fund's net asset value
Total fund charges	0.20%
Which are made up of:	
Total management and administration charges	0.20%
Including:	
Manager's basic fee	0.19%
Other management and administration charges	0.01%[1]

Investors may also be charged individual action fees for specific actions or decisions (for example, withdrawing from or switching funds). See the Product Disclosure Statement for Smartshares Exchange Traded Funds – Core Series for more information about those fees.

The fees set out above include GST where applicable.

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

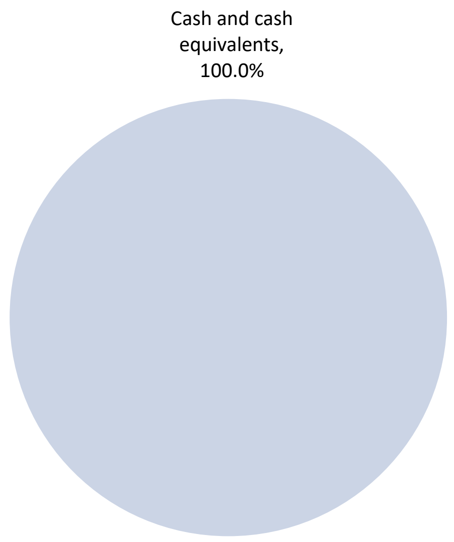
Example of how this applies to an investor

Tara had $10,000 in the fund at the start of the year and did not make any further contributions. At the end of the year, Tara received a return after fund charges were deducted of $41 (that is 0.41% of her initial $10,000). This gives Tara a total return after tax of $41 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	100.00%
New Zealand fixed interest	-
International fixed interest	-
Australasian equities	-
International equities	-
Listed property	-
Unlisted property	-
Commodities	-
Other	-

Top 10 investments

Name	% of fund's net asset value	Type	Country	Credit rating (if applicable)
Westpac Notice Constant Maturity Deposit	11.45%	Cash and cash equivalents	New Zealand	AA-
New Zealand Local Government Funding Agency Bill	2.52%	Cash and cash equivalents	New Zealand	A1+
INDUSTRIAL AND COMMERCIAL BANK OF CHINA 060422 RCD	2.01%	Cash and cash equivalents	New Zealand	A1
KIWIBANK LTD 090522 1.33 TD	1.77%	Cash and cash equivalents	New Zealand	A1
ANZ BANK WELLINGTON 140222 1.10 TD	1.77%	Cash and cash equivalents	New Zealand	A1+
ANZ BANK WELLIGNTON 170622 1.7 TD	1.77%	Cash and cash equivalents	New Zealand	A1+
WESTPAC BK CORP WELLINGT 190922 1.895 TD	1.77%	Cash and cash equivalents	New Zealand	A1+
KIWIBANK LTD 230622 1.49 TD	1.77%	Cash and cash equivalents	New Zealand	A1
New Zealand Local Government Funding Agency Bill	1.76%	Cash and cash equivalents	New Zealand	A1+
New Zealand Local Government Funding Agency Bill	1.76%	Cash and cash equivalents	New Zealand	A1+

The top 10 investments make up 28.34% of the fund's net asset value.

Currency hedging

The fund does not have foreign currency exposure.

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 current position	Time in previous or other current position
Guy Roulston Elliffe	Director	6 years and 1 month	Corporate Governance Manager - ACC (current position)	6 years and 8 months
Stuart Kenneth Reginald Millar	Chief Investment Officer - Smartshares	2 years and 7 months	Head of Portfolio Management - ANZ Investments	6 years and 4 months
Hugh Duncan Stevens	Chief Executive Officer - Smartshares	3 years and 10 months	Chief Operating Officer - Implemented Investment Solutions Ltd	2 years and 6 months
Alister John Williams	Director	6 years and 1 month	Investment Manager - Trust Management	5 years and 4 months

Further information

You can also obtain this information, the Product Disclosure Statement for the Smartshares Exchange Traded Funds – Core Series, and some additional information from the offer register at disclose-register.companiesoffice.govt.nz.

Notes

1 We charge fixed fund charges that cover normal fund operating costs. For disclosure purposes, supervisor, audit and legal costs are not included in the manager's basic fee, but are included in the other management and administration charges.