

Smartshares Exchange Traded Funds

Smartshares Australian Dividend ETF

Fund update for the quarter ended 31 December 2022

This fund update was first made publicly available on 10 February 2023.

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

Invests in Australian shares and is designed to track the return (before tax, fees and other expenses) of the S&P/ASX Dividend Opportunities Index.

Total value of the fund: \$32,925,988

The date the fund started: 16 December 2014

What are the risks of investing?

Risk indicator for the Smartshares Australian Dividend ETF



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.

How has the fund performed?

| | Average over past 5 years | Past year |
|--|---------------------------|-----------|
| Annual return (after deductions for charges and tax) | 1.72% | -1.37% |
| Annual return (after deductions for charges but before tax) | 3.33% | 0.52% |
| Market index annual return (reflects no deduction for charges and tax) | 3.71% | 1.15% |

The market index annual return is based on the annual return of the S&P/ASX Dividend Opportunities 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.

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.

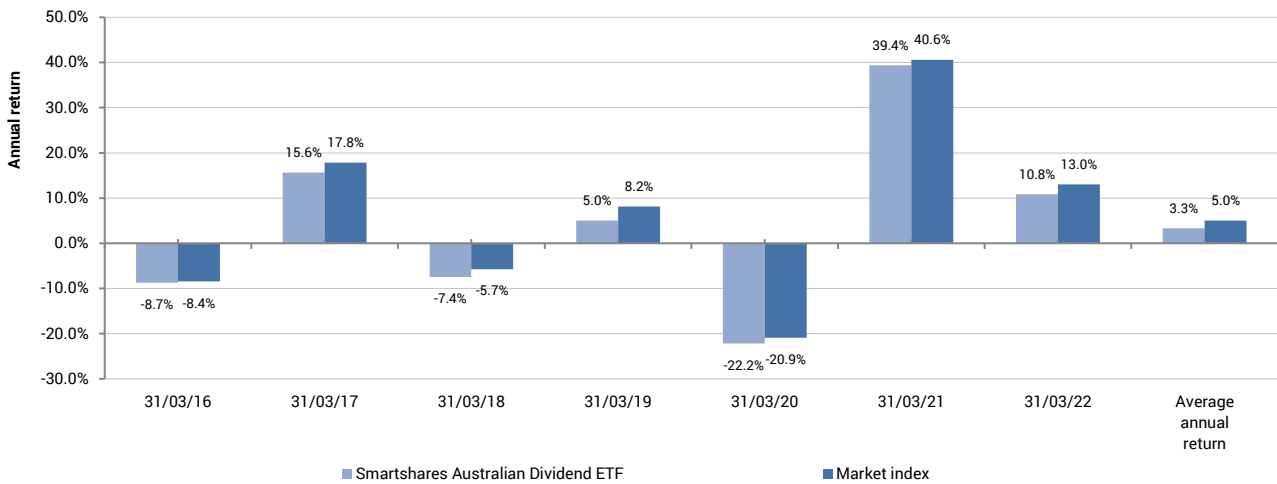
Note that even the lowest category does not mean a risk-free investment, and there are other risks that are not captured by this rating.

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 2022. 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 – Specialist Series for more information about the risks associated with investing in this fund.



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 2022.

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 Australian Dividend ETF are charged fund charges. In the year to 31 March 2022 these were:

| | % per annum of fund's net asset value |
|--|---------------------------------------|
| Total fund charges | 0.54% |
| Which are made up of: | |
| Total management and administration charges | 0.54% |
| Including: | |
| Manager's basic fee | 0.51% |
| Other management and administration charges | 0.03% 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 – Specialist 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.

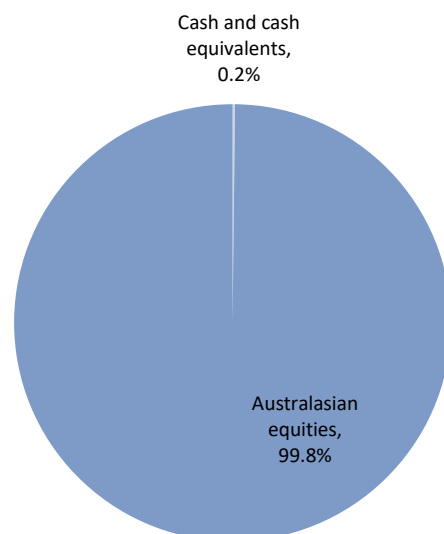
Example of how this applies to an investor

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 incurred a loss after fund charges were deducted of -\$137 (that is -1.37% of her initial \$10,000). This gives Tara a total loss after tax of -\$137 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) |
|----------------------------|-----------------------------|-----------------------|-----------|-------------------------------|
| BHP Group Ltd | 12.07% | Australasian equities | Australia | |
| Fortescue Metals Group Ltd | 10.25% | Australasian equities | Australia | |
| Wesfarmers Ltd | 9.63% | Australasian equities | Australia | |
| Rio Tinto Ltd | 8.54% | Australasian equities | Australia | |
| Woolworths Group Ltd | 8.47% | Australasian equities | Australia | |
| Coles Group Ltd | 6.01% | Australasian equities | Australia | |
| APA Group | 3.43% | Australasian equities | Australia | |
| Aurizon Holdings Ltd | 3.34% | Australasian equities | Australia | |
| Sonic Healthcare Ltd | 3.13% | Australasian equities | Australia | |
| ASX Ltd | 2.85% | Australasian equities | Australia | |

The top 10 investments make up 67.72% 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 current position | Time in previous or other current position |
|--------------------------------|--|--------------------------|--|--|
| Guy Roulston Elliffe | Director | 7 years and 1 month | Corporate Governance Manager - ACC (current position) | 7 years and 8 months |
| Stuart Kenneth Reginald Millar | Chief Investment Officer - Smartshares | 3 years and 7 months | Head of Portfolio Management - ANZ Investments | 6 years and 4 months |
| Hugh Duncan Stevens | Chief Executive Officer - Smartshares | 4 years and 10 months | Chief Operating Officer - Implemented Investment Solutions Ltd | 2 years and 6 months |
| Alister John Williams | Director | 7 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 – Specialist 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. This may be shown as 0.00% due to rounding.