

10 October 2016

Smartshares Group Investment Funds Resettlement – Special Meeting

Smartshares has today sent Notice of Meeting materials to unitholders in its five original Exchange Traded Funds:

- NZX 10 Fund (TNZ)
- NZX 50 Portfolio Index Fund (FNZ)
- NZX Mid Cap Index Fund (MDZ)
- NZX Australian 20 Leaders Index Fund (OZY)
- NZX Australian Mid Cap Index Fund (MZY)

The Notice of Meeting materials explain a proposed change in legal structure to those funds, which will enable Smartshares to transition those funds to the Smartshares Exchange Traded Funds managed investment scheme, established under the Financial Markets Conduct Act 2013 (FMCA).

The Smartshares Board considers this to be of considerable benefit to unitholders, through streamlined administration of the funds and simplified supervision of the manager's operation of the funds.

If the proposed change in legal structure is approved, all features of the funds will remain effectively the same. In particular, the funds will have the same objectives, make the same investments, pay distributions the same way, have the same fees, continue to be quoted on the NZX Main Board and be listed portfolio investment entities (PIE).

Smartshares will hold special meetings of unitholders to vote on the proposed change at the NZX Centre, Level 1, 11 Cable Street, Wellington, on Wednesday 26 October 2016, as set out in the Notice of Meeting materials.

Please find attached the related Chairman's Letter, Notice of Meeting, Product Disclosure Statement, Trust Deed Amendment and Proxy Form.

For more information please contact:

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About Smartshares

Smartshares is the pioneer of Exchange Traded Funds (ETFs) in New Zealand, launching the first ETF (TNZ - the NZSX 10 Fund) in 1996. Smartshares is New Zealand's only issuer of ETFs listed on the NZX Main Board, with more than 10,000 direct unit holders and more than NZD\$1.6 billion of funds under management. Smartshares funds are listed on NZX so you can buy or sell them just like individual shares. The listed funds are designed to "track" (or, in some cases, outperform) an index. Each Smartshares ETF is designed to provide investors with similar returns to a direct investment in all the securities that make up the ETF. To learn more and read a copy of product disclosure statement, please visit: www.smartshares.co.nz