US LARGE VALUE FUND

FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2016

Presented by Smartshares Limited, Manager of the US Large Value Fund

US LARGE VALUE FUND

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This is also the address of the registered office.

THE SUPERVISOR
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Lower Hutt 5010, Wellington
New Zealand

PRINCIPAL OFFICE OF THE MANAGER
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THE INVESTMENT MANAGER
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DIRECTORS OF THE MANAGER
Bevan K. Miller
Timothy O. Bennett
Guy R. Elliffe
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SOLICITOR
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REGISTRAR
Link Market Services Limited

INVESTMENT ADMINISTRATOR & CUSTODIAN
BNP Paribas Fund Services Australasia Pty Ltd, New Zealand branch

CORRESPONDENCE

All correspondence and enquiries to the Manager about the Fund should be addressed to the Manager, Smartshares Limited, at the above address.

US LARGE VALUE FUND

Smartshares Limited (the 'Manager') and Public Trust (the 'Supervisor') are parties to a master trust deed dated 24 June 2014 as amended and restated on 9 September 2016 (the 'Trust Deed'). Under a Deed of Retirement and Appointment dated 6 September 2016, Trustees Executors Limited retired as the trustee and Public Trust was appointed as the supervisor. The Trust Deed sets out the terms and conditions on which units in the funds within the Smartshares Exchange Traded Funds are offered for subscription, whether to the public or otherwise.

The Trust Deed provides that each fund is to be established by the Manager and the Supervisor entering into an establishment deed setting out the specific terms and conditions relating to that fund.

The US Large Value Fund (the 'Fund') was created by an establishment deed dated 10 July 2015 as amended and restated on 9 September 2016 between the Manager and the Supervisor.

STATEMENT BY THE MANAGER

In our opinion, the accompanying financial statements and notes are prepared in accordance with Generally Accepted Accounting Practice in New Zealand ('NZ GAAP'), and fairly present the financial position of the Fund as at 30 September 2016, and the results of its financial performance and cash flows for the period ended 30 September 2016 in accordance with the requirement of the Trust Deed.

It is believed that there are no circumstances that may materially and adversely affect any interest of the unitholders in the assets other than those already disclosed in this report.

For and on behalf of the Manager:
Smartshares Limited

....	....
Director	Director

This statement was approved for signing at a meeting of the Directors on 24 November 2016.

US LARGE VALUE FUND

STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2016

	Note	Unaudited Six Months Ended 30 September 2016 $'000	Unaudited Period Ended 30 September 2015 $'000	Audited Period Ended 31 March 2016 $'000
INCOME				
Dividend income		381	212	643
Net changes in fair value of financial assets at fair value through profit or loss		250	(1,287)	(1,626)
Foreign exchange gain		-	17	17
Total income/(loss)		**631**	**(1,058)**	**(966)**
EXPENSES				
Management fees expense	7	72	26	97
Foreign exchange loss		2	-	-
Total expenses		**74**	**26**	**97**
Profit/(loss) before tax		**557**	**(1,084)**	**(1,063)**
Income tax expense	1	202	79	278
Profit/(loss) after tax		**355**	**(1,163)**	**(1,341)**
Other comprehensive income		-	-	-
Total comprehensive income/(loss)		**355**	**(1,163)**	**(1,341)**
EARNINGS PER UNIT				
Basic and diluted earnings/(losses) per unit (cents per unit)	4	**2.72**	**(8.77)**	**(10.26)**

The accompanying notes form part of and should be read in conjunction with these financial statements.

STATEMENT OF CHANGES IN UNITHOLDERS' FUNDS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2016

		Unaudited Six Months Ended 30 September 2016 $'000	Unaudited Period Ended 30 September 2015 $'000	Audited Period Ended 31 March 2016 $'000
Unitholders' funds at the beginning of the period		**31,111**	**-**	**-**
Total comprehensive income/(loss) for the period		**355**	**(1,163)**	**(1,341)**
Subscriptions from unitholders	6	311	33,732	33,814
Redemptions by unitholders	6	-	(1,183)	(1,183)
Distributions to unitholders	5	(112)	(184)	(179)
		199	**32,365**	**32,452**
Unitholders' funds at the end of the period		**31,665**	**31,202**	**31,111**

The accompanying notes form part of and should be read in conjunction with these financial statements.

US LARGE VALUE FUND

STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2016

	Note	Unaudited As At 30 September 2016 $'000	Unaudited As At 30 September 2015 $'000	Audited As At 31 March 2016 $'000
ASSETS				
Cash and cash equivalents		338	260	397
Investments in equity securities held at fair value through profit or loss	2	31,398	31,096	30,922
Taxation receivable		-	61	-
TOTAL ASSETS		**31,736**	**31,417**	**31,319**
LIABILITIES				
Management fees payable	7	12	12	12
Taxation payable		48	-	53
Distribution payable to unitholders	5	-	184	-
Funds held for unit purchases		11	19	60
Unsettled trades		-	-	83
TOTAL LIABILITIES		**71**	**215**	**208**
UNITHOLDERS' FUNDS		**31,665**	**31,202**	**31,111**
TOTAL LIABILITIES AND UNITHOLDERS' FUNDS		**31,736**	**31,417**	**31,319**

For and on behalf of the Manager, Smartshares Limited, who authorised the issue of the financial statements on 24 November 2016.

B Miller
Chairman
Smartshares Limited

G Elliffe
Director
Smartshares Limited

The accompanying notes form part of and should be read in conjunction with these financial statements.

US LARGE VALUE FUND

STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2016

	Unaudited Six Months Ended 30 September 2016 $'000	Unaudited Period Ended 30 September 2015 $'000	Audited Year Ended 31 March 2016 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was provided from:			
Dividend income received	323	212	547
Cash was applied to:			
Management fees paid	(72)	(14)	(85)
Taxation paid	(149)	(140)	(129)
Net cash flows from operating activities	**102**	**58**	**333**
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was applied to:			
Purchase of investments	(216)	(50)	(101)
Net cash flows from investing activities	**(216)**	**(50)**	**(101)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash was provided from:			
Subscriptions received from unitholders	167	255	349
Cash was applied to:			
Redemptions paid to unitholders	-	(5)	(5)
Distributions paid to unitholders	(112)	-	(179)
Net cash flows from financing activities	**55**	**250**	**165**
Net (decrease)/increase in cash and cash equivalents	(59)	258	397
Cash and cash equivalents at the beginning of the period	397	-	-
Effect of exchange rate fluctuations on cash and cash equivalents	-	2	-
Cash and cash equivalents at the end of the period	**338**	**260**	**397**
Reconciliation of profit/(loss) after tax to net cash flows from operating activities			
Profit/(loss) after tax	355	(1,163)	(1,341)
Net changes in fair value of financial assets at fair value through profit or loss	(250)	1,287	1,626
Foreign exchange loss/(gain)	2	(17)	(17)
Increase in taxation receivable	-	(61)	-
(Decrease)/increase in taxation payable	(5)	-	53
Increase in management fees payable	-	12	12
Net cash flows from operating activities	**102**	**58**	**333**

The accompanying notes form part of and should be read in conjunction with these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2016

GENERAL INFORMATION

The US Large Value Fund (the 'Fund') is a for profit fund registered in New Zealand and established under the Financial Markets Conduct Act 2013 ('FMC Act 2013'). It is offered under a registered managed investment scheme known as the Smartshares Exchange Traded Funds. Smartshares Limited, the Manager of the Fund is a FMC reporting entity for the purposes of the FMC Act 2013.

The Fund is governed by the Master Trust Deed dated 24 June 2014 as amended and restated on 9 September 2016 between the Manager and the Supervisor. It was established on 10 July 2015 and commenced operation on 29 July 2015.

Effective 16 September 2016 the Fund changed its name from US Large Value Trust to US Large Value Fund.

The Fund's units are quoted on the NZX Main Board. The Fund is a passive investment fund that invests in Vanguard Value ETF (the 'Underlying Fund'), which tracks the CRSP US Large Cap Value Index (the 'Underlying Index'). The Underlying Fund invests in securities contained in the Underlying Index broadly in proportion to the weightings of the Underlying Index. Investments are valued at fair value according to last traded market prices on the New York Stock Exchange Arca on 30 September 2016 (see Note 2).

STATEMENT OF ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These accounting policies have been consistently applied to all periods presented.

Comparative periods

These financial statements are for the six month period from 1 April 2016 to 30 September 2016. The comparative figures are for the periods from 29 July 2015 to 30 September 2015 and 29 July 2015 to 31 March 2016.

Basis of preparation

The financial statements of the Fund have been prepared in accordance with NZ GAAP which is the New Zealand equivalent to International Financial Reporting Standards ('NZ IFRS') and International Financial Reporting Standards ('IFRS'). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss. The functional currency of this entity is the same as the presentation currency of these financial statements being the New Zealand Dollar ('NZD'), rounded to the nearest thousand.

The preparation of financial statements in conformity with NZ IFRS requires the use of certain critical accounting estimates. It also requires the Smartshares Limited Board of Directors to exercise its judgement in the process of applying the Fund's Statement of Accounting Policies.

Financial assets at fair value through profit or loss

(a) Classification

The Fund classifies its investments in equity securities held at fair value as financial assets at fair value through profit or loss. These financial assets are designated by the Smartshares Board of Directors at inception as their performance is managed and evaluated on a fair value basis in accordance with a documented investment strategy.

(b) Recognition/derecognition

Purchases and sales of investments are recognised on the trade date – the date on which the Fund commits to purchase or sell the investment. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

(c) Measurement

Financial assets at fair value through profit or loss are recognised at fair value. Gains and losses arising from changes in the fair value of the ‘financial assets at fair value through profit or loss’ category are presented in the Statement of Comprehensive Income when they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the profit or loss in the Statement of Comprehensive Income within dividend income when the Fund’s right to receive payment is established.

(d) Fair value estimation

The fair value of the financial instruments is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Fund is the last traded market price.

Receivables

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'receivables'. Receivables are measured at amortised cost using the effective interest method less impairment.

Payables

Trade payables and other payables are recognised when the entity becomes obliged to make future payments resulting from the purchase of goods and services, and are measured at amortised cost.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency (NZD) using the exchange rate prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at balance date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

Translation differences of non-monetary financial assets such as equities held at fair value through profit or loss are recognised in the Statement of Comprehensive Income as part of the net changes in fair value of financial assets at fair value through profit or loss.

Cash and cash equivalents

Cash and cash equivalents are considered to be cash at banks, net of bank overdrafts. Operating activities in the Statement of Cash Flows include all transactions or events that are not investing or financing activities. Investing activities are those activities that relate to the acquisition, holding and disposal of investments and securities not falling within the definition of cash. Financing activities are those activities that relate to cash contributions to and from, or cash distributions to the unitholders.

Units

The Fund issues units, which provide the holder with a residual interest in the Fund. The units can be put back to the Fund via a basket redemption, in accordance with the redemption rules as defined in the Product Disclosure Statement, for units in the Underlying Fund and a proportion of cash held in the Fund.

The units are issued and redeemed based on the Fund's net asset value per unit at the time of issue or redemption. The Fund's net asset value per unit is calculated by dividing the net assets attributable to the unitholders by the total number of outstanding units. In accordance with the provisions of the Trust Deed investment positions are valued based on the last traded market price for the purpose of determining the net asset value per unit for subscriptions and redemptions.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Distributions to holders of units

Distributions are made up of income received from the investments less expenses paid and allowances for future liabilities. Income from investments held is attributed to unitholders on the basis of the number of units held at the record date of the unitholder distribution. The record date for the Fund is on or around the last business day of each May and November in each year. Currently distributions to unitholders are made on a semi-annual basis directly from the Fund within 20 business days of the record date.

Taxation

The Fund is domiciled in New Zealand and is registered as a Portfolio Investment Entity ('PIE').

The Fund is liable for tax at the prevailing company tax rate on investments in securities subject to the Fair Dividend Rate method ('FDR') listed in Note 2 after the deduction of management fees. The Fund is liable for tax on FDR income based on the market value of the security. With some of this income, the Fund is able to utilise foreign withholding tax credits to satisfy the tax liability. The Fund pays tax to the extent that the foreign withholding tax credits do not cover the tax liability in full. To the extent that imputation credits are available, distributions to unitholders will be fully imputed.

Deferred tax is recognised in respect of temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Current and deferred tax is measured using the tax rates enacted or substantively enacted at the reporting date.

Goods and services tax (GST)

The Fund is not registered for GST and consequently all components of the financial statements are stated inclusive of GST where appropriate.

Segment information

The Fund operates solely in the business of investment management, investing in the Underlying Fund; Vanguard Value ETF. The Fund receives all of its dividend income from this investment.

Changes in accounting policies and accounting standards adopted during the period

(a) Changes in accounting policies

There have been no significant changes in accounting policies during the period. All policies have been applied on a basis consistent with those used in the prior periods.

(b) New accounting standards adopted
There were no new accounting standards adopted during the period that have a material impact on the financial statements of the Fund.

Issued but not yet effective accounting standards

A number of accounting standards have been issued or revised that are not yet effective as at 30 September 2016, and have not been applied in preparing the financial statements. The Fund does not plan to adopt these standards early. The standards which are relevant to the Fund are as follows:

- NZ IFRS 9 Financial Instruments - Effective for annual reporting periods beginning on or after 1 January 2018; the impact of any changes has not yet been determined.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2016

1. TAXATION

	30 September 2016 $'000	30 September 2015 $'000	31 March 2016 $'000
Tax expense comprises:			
Current tax expense	(202)	(79)	(278)
Total tax expense	**(202)**	**(79)**	**(278)**

The prima facie income tax expense on profit/(loss) before tax from operations reconciles to the income tax expense in the financial statements as follows:

Income tax expense	30 September 2016 $'000	30 September 2015 $'000	31 March 2016 $'000
Profit/(loss) before tax	557	(1,084)	(1,063)
Income tax using the statutory income tax rate 28%	**(156)**	**304**	**298**
Net changes in fair value of financial assets	70	(360)	(455)
Non taxable income	106	59	180
Tax on securities subject to FDR	(222)	(82)	(301)
	(202)	**(79)**	**(278)**
Income tax expense as per Statement of Comprehensive Income	**(202)**	**(79)**	**(278)**

Imputation credit account (ICA)	30 September 2016 $'000	30 September 2015 $'000	31 March 2016 $'000
Imputation credits available for use in subsequent periods	213	108	112

2. INVESTMENTS IN EQUITY SECURITIES HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 September 2016		30 September 2015		31 March 2016	
	Number of units '000	Fair value $'000	Number of units '000	Fair value $'000	Number of units '000	Fair value $'000
Underlying fund						
Vanguard Value ETF	262	31,398	259	31,096	261	30,922
		31,398		**31,096**		**30,922**

All investments are designated at inception as being at fair value through profit or loss. The fair values of investments are calculated using the last traded market price on the reporting date. The investments are registered in the name of BNP Paribas Fund Services Australasia Pty Ltd, New Zealand branch, the custodian of the Fund.

3. FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments measured at fair value can be categorised across the following 3 levels based on the degree to which their fair value is 'observable':

Level 1 – Fair value measurements are derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – Fair value measurements are derived from inputs other than quoted prices included within level 1 that are observable either directly or indirectly;

Level 3 – Fair value measurements are derived from valuation methods that include inputs that are not based on observable market data.

All financial instruments of the Fund measured at fair value have been categorised as level 1 in the hierarchy. There were no transfers between levels in the period ended 30 September 2016 (30 September 2015: none; 31 March 2016: none).

4. EARNINGS PER UNIT

The basic earnings per unit (EPU) is calculated by dividing the net profit/(loss) after tax attributable to the unitholders by the weighted average number of units on issue during the period.

The Fund's diluted EPU is the same as the basic EPU since the Fund has not issued any instrument with dilutive potential.

	30 September 2016	30 September 2015	31 March 2016
Profit/(loss) after tax ($'000)	355	(1,163)	(1,341)
Weighted average number of units ('000)	13,075	13,254	13,072
Basic and diluted earnings/(losses) per unit (cents per unit)	**2.72**	**(8.77)**	**(10.26)**

5. DISTRIBUTION PAYABLE TO UNITHOLDERS

	30 September 2016 $'000	30 September 2015 $'000	31 March 2016 $'000
Opening distribution payable	-	-	-
Distributions accrued to unitholders	112	184	179
Distributed to unitholders	(112)	-	(179)
Closing distribution payable	**-**	**184**	**-**

Distributions declared and paid

	Year Ended	Distribution per unit (cents per unit)	30 September 2016 $'000	30 September 2015 $'000	31 March 2016 $'000
October 2015 (paid November 2015)	31/03/2016	1.38	-	-	179
April 2016 (paid May 2016)	31/03/2017	0.86	112	-	-
			112	**-**	**179**

6. UNITHOLDERS' FUNDS

As at 30 September 2016 there were 13,122,000 units on issue (30 September 2015: 12,959,000; 31 March 2016: 12,994,000).

All issued units are fully paid and redeemable, and are quoted on the NZX Main Board. The Fund's net assets attributable to unitholders are represented by these units. The relevant movements are shown on the Statement of Changes in Unitholders Funds.

The number of units allotted during the period ended 30 September 2016 was 128,000 (30 September 2015: 13,437,000; 31 March 2016: 13,472,000) for total value of $311,000 (30 September 2015: $33,732,000; 31 March 2016: $33,814,000).

The number of units redeemed during the period ended 30 September 2016 was nil (30 September 2015: 478,000; 31 March 2016: 478,000) for total value of $nil (30 September 2015: $1,183,000; 31 March 2016: $1,183,000).

	30 September 2016 '000	30 September 2015 '000	31 March 2016 '000
Movement in the number of units			
Balance at the beginning of the period	12,994	-	-
Subscriptions received during the period	128	13,437	13,472
Redemptions made during the period	-	(478)	(478)
Units on issue at the end of the period	**13,122**	**12,959**	**12,994**

The net asset value of each unit per the financial statements is $2.41312 (30 September 2015: $2.40777; 31 March 2016: $2.39426). Any difference between the net asset value announced to the market for 30 September 2016 and the net asset value per the financial statements is due to different unit pricing methodology.

7. RELATED PARTY TRANSACTIONS

Key management personnel are the Directors of the Manager. There were no transactions with key management personnel during the period.

The Manager is a 100% owned subsidiary of NZX Limited.

The Manager receives management fees from the Fund. Under the Trust Deed the Manager pays the supervisor, custodian, registrar and auditor on behalf of the Fund and receives all interest earned on cash at banks. Total gross management fees excluding rebates for the period ended 30 September 2016 amounted to $72,000 (30 September 2015: $26,000; 31 March 2016: $97,000), with $12,000 (30 September 2015: $12,000; 31 March 2016: $12,000) of outstanding accrued management fees due to the Manager at the end of the period. The total interest earned on cash at banks for the period ended 30 September 2016 amounted to $2,295 (30 September 2015: $565; 31 March 2016: $2,409).

The audit fee paid by the Manager for the audit of the Fund at the period ended 30 September 2016 was $nil (30 September 2015: $nil; 31 March 2016: $4,000).

SuperLife superannuation scheme, a scheme managed by SuperLife Limited, a wholly owned subsidiary company of NZX Limited, is an investor in the Fund. As at 30 September 2016, SuperLife Invest held 12,914,102 units (30 September 2015: 12,914,102; 31 March 2016: 12,914,102) valued at $30,850,000 (30 September 2015: $30,897,000; 31 March $30,975,000) in the Fund.

The Fund paid distributions of $111,048 (30 September 2015: $nil; 31 March 2016: $178,000) to Superlife superannuation scheme. Of the total, the balance remaining as payable at end of period is $nil (30 September 2015: $nil; 31 March 2016: $nil).

8. FINANCIAL RISK MANAGEMENT

Strategy in using financial instruments

The Fund utilises a number of financial instruments in the course of its normal investing activities. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in the Statement of Accounting Policies.

The financial instruments not accounted for at fair value through profit and loss are short-term financial assets and financial liabilities whose carrying amounts approximate fair value.

8. FINANCIAL RISK MANAGEMENT (Continued)

Financial instruments by category	30 September 2016 $'000	30 September 2015 $'000	31 March 2016 $'000
Loans and receivables			
Cash and cash equivalents	338	260	397
Financial assets at fair value through profit and loss			
Investments in equity securities held at fair value through profit or loss	31,398	31,096	30,922
Other financial liabilities			
Management fees payable	12	12	12
Distribution payable to unitholders	-	184	-
Funds held for unit purchases	11	19	60
Unsettled trades	-	-	83

The Fund's activities expose it to a variety of financial risks: market price risk, credit risk, liquidity risk and currency risk. The risk management policies used by the Fund are detailed below:

8a. Market price risk

The Fund's equity securities are exposed to market price risk arising from uncertainties about future prices of the financial instruments.

The Fund's market price risk is affected by actual changes in market prices. As the Fund invests in an Underlying Fund which tracks an Underlying Index, any change in the Underlying Index will result in a corresponding change in the assets at fair value through profit or loss.

A 10% increase/decrease in equity prices as at 30 September 2016 would increase/decrease net profit and unitholder funds by $3,140,000 (30 September 2015: $3,110,000; 31 March 2016: $3,092,000).

8b. Credit risk

The Fund is exposed to the potential risk of financial loss resulting from the failure of counterparties to honour fully the terms and conditions of a contract with the Fund. Financial instruments that subject the Fund to credit risk consist primarily of cash and receivables.

We consider the maximum credit risk of financial instruments is their carrying value. The risk of non-recovery of monetary assets is considered very low due to the quality of counterparties dealt with.

The Fund does not require collateral or other security to support financial instruments with credit risk. The maximum exposures to credit risk at the reporting date are:

	30 September 2016 $'000	30 September 2015 $'000	31 March 2016 $'000
Cash and cash equivalents	338	260	397

8. FINANCIAL RISK MANAGEMENT (Continued)

Cash and cash equivalents

The Fund's cash and cash equivalents balances are held with ANZ Bank New Zealand Limited ('ANZ'), BNP Paribas Securities Services ('BNP Paribas') and Westpac New Zealand Limited ('Westpac').

The table below discloses the Standard & Poor's credit rating for the Fund's cash and cash equivalents balance with each bank above at the reporting date.

	30 September 2016		30 September 2015		31 March 2016	
	Balance $'000	Credit rating	Balance $'000	Credit rating	Balance $'000	Credit rating
ANZ	11	AA-	19	AA-	60	AA-
BNP Paribas	-	A-	-	A-	-	A-
Westpac	327	AA-	241	AA-	337	AA-
	338		**260**		**397**	

8c. Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with the financial liabilities that are settled by delivering cash or another financial asset.

The Fund's investment in Vanguard Value ETF is considered readily realisable, as it is quoted on the New York Stock Exchange Arca. In addition, for the Fund liquidity risk associated with redemptions is managed by meeting redemptions in the form of baskets rather than cash. The Fund meets its redemption obligations by returning units in the Underlying Fund. Liquidity risk for the Fund is therefore low.

8d. Currency risk

Currency risk is the risk that the value of the financial instruments will fluctuate due to changes in foreign exchange rates.

The Fund holds assets denominated in a currency other than the New Zealand dollar, the functional currency. It is therefore exposed to currency risk, as the value of the securities denominated in US dollars will fluctuate due to changes in the exchange rate. The Fund’s policy is not to enter into any currency hedging transactions.

A 10% strengthening/weakening of the New Zealand dollar against the US dollar as at 30 September 2016 would have decreased/increased profits and unitholders funds by $3,140,000 (30 September 2015: $3,110,000; 31 March 2016: $3,084,000).

The table below summarises the Fund’s exposure to currency risks.

	30 September 2016 $'000	30 September 2015 $'000	31 March 2016 $'000
Investments in equity securities held at fair value through profit or loss	31,398	31,096	30,922
Unsettled trades	-	-	(83)

9. COMMITMENTS AND CONTINGENCIES

The Fund had no commitments or contingencies as at 30 September 2016 (30 September 2015: none; 31 March 2016: none).

10. EVENTS AFTER THE REPORTING PERIOD

Since 30 September 2016 there have been no matters or circumstances not otherwise dealt with in the financial statements that have significantly affected or may significantly affect the Fund.

US LARGE VALUE FUND

UNITHOLDER INFORMATION

Distribution of security holders and security holdings as at 30 September 2016

	No. of holders	% of holders	No. of securities	% of securities
1 - 1,000	29	46.78	14,693	0.11
1,001 - 5,000	20	32.26	60,489	0.46
5,001 - 10,000	7	11.29	55,661	0.42
10,001 - 50,000	5	8.06	77,055	0.59
50,001 - 100,000	-	-	-	-
Greater than 100,000	1	1.61	12,914,102	98.42
Totals	**62**	**100.00**	**13,122,000**	**100.00**

20 largest registered holders of quoted equity securities as at 30 September 2016

Full name	Total	Percentage %
SuperLife Trustee Nominees Limited	12,914,102	98.42
FNZ Custodians Limited	25,500	0.19
Dean Richard Prebble	20,898	0.16
Larry Ronald Haycock	10,500	0.08
David Mountfort Haywood & Annette Maree Haywood	10,081	0.08
Julian Oliver Smith	10,076	0.08
Michael Frederick Keith	9,688	0.07
Billy Cheung Services Limited	9,073	0.07
Adam Charles Tommy & Shu Yu Tseng	8,143	0.06
Phillip John Tait & Darien Patricia Tait & Jenny Catherine Hirst	8,141	0.06
Robert Andrew James Stewart	7,633	0.06
Andrew Mackay Drummond & Ross Drummond	7,062	0.05
Martin Anthony Evans & Margaret Anne Evans	5,921	0.05
David Paul Hayes	5,000	0.04
Bharat Umesh Ratanpal & Ayesha Bharat Ratanpal	4,656	0.04
Michael Stewart Goodall	4,327	0.03
Arthur Mervyn Rudman	4,210	0.03
William Blake & Sandra Carol Blake	4,112	0.03
David Alan Kendall & Jill Marjorie Todd & Mark Archibald Todd	4,014	0.03
Christina Jane Orange	4,000	0.03
Totals	**13,077,137**	**99.66**

Substantial security holdings

The following information has been given pursuant to section 293 of the Financial Markets Conduct Act 2013 (FMCA). According to Smartshares records and disclosures made under section 280(1)(b) of the FMCA, there were no substantial product holders in the Fund as at 30 September 2016. The total number of units on issue at 30 September 2016 was 13,122,000.

Directors' interest in units as at 30 September 2016

	Beneficial	Non - Beneficial
Bevan K. Miller	-	1,535
Timothy O. Bennett	-	2,041
Guy R. Elliffe	-	3,180
A. John Williams	-	-

	30 September 2016	
	Male	**Female**
Gender composition of Directors	4	-