

Lifestages KiwiSaver Scheme
Lifestages Income Fund

What is the purpose of this statement?

This statement provides key information about the Lifestages KiwiSaver Scheme - Lifestages Income Fund. It tells you how the fund has performed and what fees it charged, and will help you to compare it with other funds. We prepared this statement in accordance with the KiwiSaver (Periodic Disclosure) Regulations 2013. This information is not audited and may be updated.

Description of the fund

The Lifestages Income Fund aims to provide a low risk investment option with competitive returns. It invests mostly in New Zealand cash, New Zealand fixed interest investments and global fixed interest investments.

| | |
|-------------------------------|-----------------|
| Total value of the fund | \$47,329,961.84 |
| Number of members in the fund | 4,219 |
| Date the fund started | 14 October 2015 |

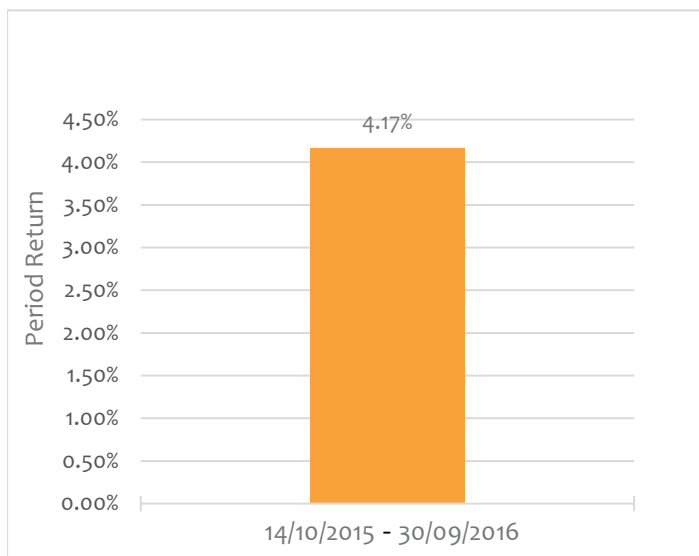
How has the fund performed?

Past period ⁺

| | |
|---|--------------|
| Return (after deductions for fund fees and tax ¹) | 4.17% |
|---|--------------|

How has the fund performed in the past?

The Fund has not been in existence for a full tax year. Therefore, the graph shows the return after fund fees and tax since the fund started. It's important to note that this doesn't tell you how the fund will perform in the future.



What fees were members charged?

The returns above are after deductions for **fund fees**².

These fees were last totalled up for the 24 week period 14 October 2015 to 31 March 2016 and were:

| | |
|-------------------------------------|--------------|
| Total fund fees⁺⁺ | 0.40% |
| <i>of members' investments</i> | |
| <i>Which are made up of:</i> | |
| Annual management fee | 0.18% |
| Performance-based fees | 0.00% |
| Other fees and costs | 0.22% |

Members were also charged **membership fees**³ of \$12.00 over the 6 month period to 31 March 2016.

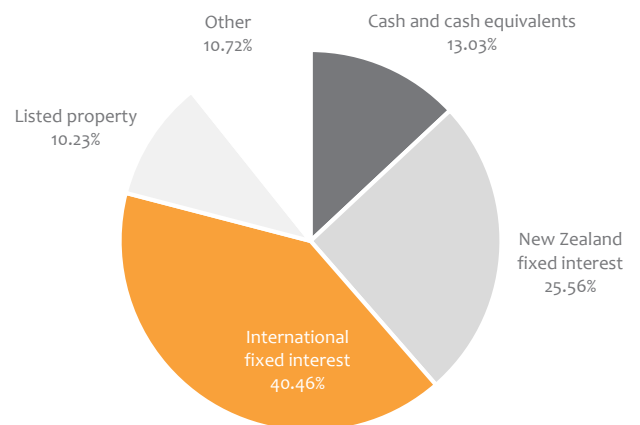
Example of how this applies to a member

Julie had \$10,000 in the fund at the start of the period commencing 14 October 2015 and didn't make any further contributions. At the end of the period (14 October 2015 to 30 June 2016), Julie received a return after fund fees and tax were deducted of \$417 (that's 4.17% of her initial \$10,000). Julie also paid \$12.00 in membership fees. This gives Julie a total return of \$405.00 for the period.

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.

| | |
|------------------------------|--------|
| Cash and cash equivalents | 15.00% |
| New Zealand fixed interest | 25.00% |
| International fixed interest | 40.00% |
| Australasian equities | 0.00% |
| International equities | 0.00% |
| Listed property | 10.00% |
| Unlisted property | 0.00% |
| Other ⁴ | 10.00% |

Top 10 investments

| Name | Percentage of fund net assets | Type | Country | Credit rating (if applicable) |
|--|-------------------------------|---------------------------|-------------|-------------------------------|
| 1 Dimensional Global Bond Trust NZD Class | 40.53% | Fund | Australia | |
| 2 Harbour NZ Core Fixed Interest Fund | 25.60% | Fund | New Zealand | |
| 3 Southland Building Society term deposit- series 34 | 10.85% | Cash and cash equivalents | New Zealand | BBB+ |
| 4 Vanguard Global Infrastructure Index Fund | 10.74% | Fund | Australia | |
| 5 Vanguard International Property Securities Index | 10.25% | Fund | Australia | |
| 6 Cash Deposit (ANZ Bank) | 2.20% | Cash and cash equivalents | New Zealand | |

The top 10 investments make up 100.17% of the fund.

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 position | Time in previous or other position |
|----------------|--|--------------------------|---|------------------------------------|
| Graham Duston | Executive Director / Chairman Investment Committee | 15 years | General Manager, ANZ Funds Management | 2 years |
| Martin Pike | Investment Strategist | 1 year, 1 month | National Manager, Investment Product & Services, AMP Financial Services | 2 years, 4 months |
| Mike Skilling | Independent Director / Investment Committee member | 9 months | GM Business Financial Services & Private Banking, BNZ | 8 years |
| Jeffrey Walker | Chairman | 15 years | Managing Partner, Jeff Walker & Cleland Murdoch Lawyers (current) | 17 years, 3 months |
| Derek Young | Executive Director / Investment Committee member | 12 years, 3 months | General Manager, ING New Zealand Limited | 2 years |

Further information:

Information about conflicts of interest

There have not been changes to the nature, or increases in the scale of, the fund's related-party transactions compared with the last quarter. See the Lifestages KiwiSaver Scheme annual financial statements for more information about the scheme's related-party transactions.

Changes to trade allocation, execution and proxy voting policies

There have not been changes to the fund's trade allocation, execution and proxy voting policies in the past three months. See <https://lifestages.co.nz/assets/Uploads/Lifestages-KiwiSaver-Scheme-Investment-Statement-22-September-2016.pdf> for more information about these policies.

Changes to valuation methods

There have not been changes to the fund's valuation methods in the past three months.

Electronic disclosure of this information

Most of the information contained in this statement, including some additional information, is available in a spreadsheet at www.lifestages.co.nz/dmsdocument/1287.csv.

Notes

- ¹ Returns in this statement are after tax at the highest prescribed investor rate (PIR) of tax for an individual New Zealand resident. Your tax rate may be lower.
 - ² Fund fees are charged as a percentage of a member's interest in the fund (i.e. as a percentage of their KiwiSaver account balance).
 - ³ Membership fees are the fixed dollar charges for membership in the KiwiSaver scheme.
 - ⁴ Other includes infrastructure shares.
- + As the fund started on 14 October 2015 this return represents the return for the period 14 October 2015 - 30 September 2016.
- ** As the fund started on 14 October 2015 the disclosed fees represent the fees charged for the period 14 October 2015 - 31 March 2016. This required disclosure is materially different to how Total fund fees are charged in the fund. The actual annual management fee is charged at 0.65% of the fund's daily Gross Asset Value.

Manager's Certificate

Funds Administration New Zealand Limited, as Manager of the Lifestages KiwiSaver Scheme - Lifestages Income Fund, states that:

- > this disclosure statement has been prepared for the purposes of the KiwiSaver (Periodic Disclosure) Regulations 2013; and
- > to the best of the manager's knowledge after making reasonable inquiry, all information required by the regulations has been disclosed in accordance with these regulations and the information presented is accurate; and
- > this disclosure statement does not contain any matter that is likely to deceive or mislead with regard to any particular that would be material to an offer of an interest in the Lifestages KiwiSaver Scheme.



Graham Duston, Executive Director, Funds Administration New Zealand Limited. 21 October 2016