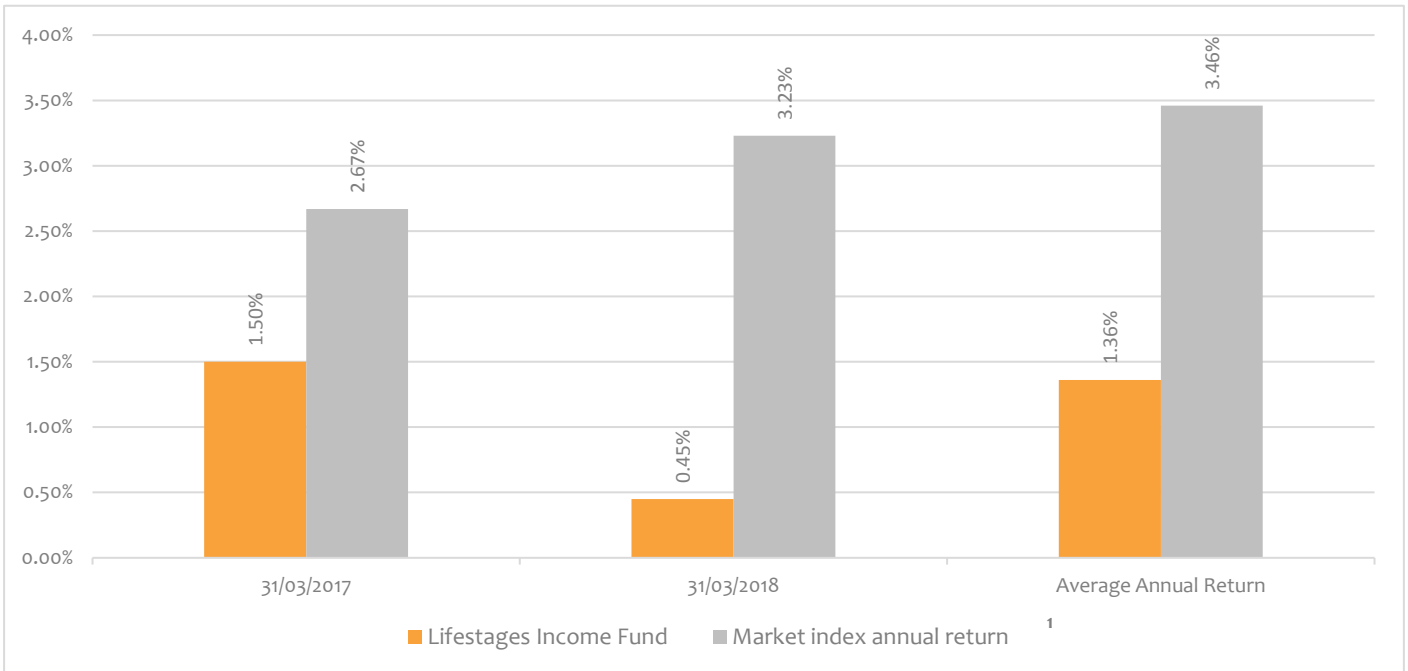


Annual Return Graph



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 30 September 2018.

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 Lifestages Income Fund are charged fund charges. In the year to 31 March 2018 these were:

	% of net asset value
Total fund charges (estimated)	1.19%
Which are made up of -	
Total management and administration charges	1.19%
Including -	
Manager's basic fee	0.65%
Other management and administration charges ²	0.54%
Total performance-based fees	0.00%
Other Charges	
	Dollar amount per investor
Member fee	\$24.00

The percentage shown for the 'Other management and administration charges' includes an estimate of the fees and expenses incurred in the underlying funds in which the fund invests.

Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). See the 'Other Material Information' document for the Lifestages KiwiSaver Scheme on the offer register (www.companiesoffice.govt.nz/disclose) for more information about those fees.

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

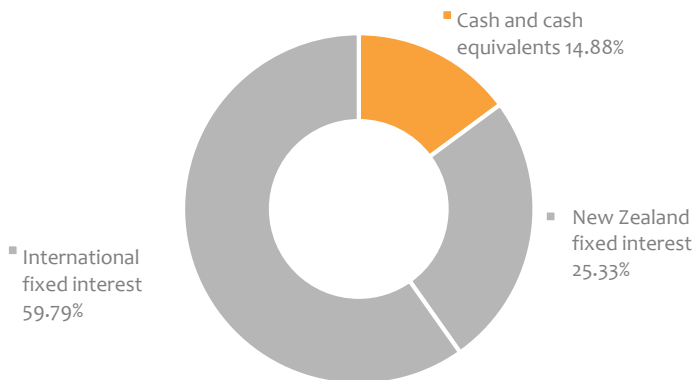
Example of how this applies to an investor

Hayley 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, Hayley received a return after fund charges were deducted of \$77 (that is 0.77% of her initial \$10,000). Hayley also paid \$24.00 in other charges. This gives Hayley a total loss after tax of -\$48.00 for the year.

What does the fund invest in?

This shows the types of assets that the fund invests in.

Actual investment mix



Target investment mix**

Asset type	Allocation
Cash and cash equivalents	15.00%
New Zealand fixed interest	25.00%
International fixed interest	60.00%

Top 10 investments

Name	Percentage of fund net assets	Type	Country	Credit rating (if applicable)
1 iShares Global Aggregate Bond UCITS ETF NZD Hedged	42.04%	International fixed interest	IE	
2 Harbour NZ Core Fixed Interest Fund	25.33%	New Zealand fixed interest	NZ	
3 Dimensional Two-Year Diversified Fixed Interest Trust – NZD Class Units	17.75%	International fixed interest	AU	
4 Cash Deposit (ANZ Bank)	2.90%	Cash and cash equivalents	NZ	
5 Southland Building Society term deposit maturity 20/12/18	2.86%	Cash and cash equivalents	NZ	BBB
6 Southland Building Society term deposit maturity 22/01/19	2.86%	Cash and cash equivalents	NZ	BBB
7 Southland Building Society term deposit maturity 26/11/18	2.16%	Cash and cash equivalents	NZ	BBB
8 Southland Building Society term deposit maturity 20/03/19	2.15%	Cash and cash equivalents	NZ	BBB
9 Southland Building Society term deposit maturity 18/04/19	2.14%	Cash and cash equivalents	NZ	BBB
10 Cash Deposit (JPM AUD)	0.00%	Cash and cash equivalents	AU	

The top 10 investments make up 100.19% of the net asset value of the fund.

Currency hedging

Currency hedging can apply to some of the asset classes this fund invests in. The level of currency hedging for foreign assets is managed to a target of 100% for international fixed interest and 0% for the other foreign assets. This may change over time depending on the Manager's view of the relative strength (or weakness) of the New Zealand dollar.

Additional information about the hedging policy can be found in the SIPO which is available on the Disclose offer register at www.companiesoffice.govt.nz/disclose.

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	Investment Committee member	17 years and 0 months	Chief Executive Officer, Funds Administration New Zealand Ltd (current)	17 years and 0 months
Damon O'Brien	Independent Investment Committee member	3 years and 5 months	Chief Investment Officer, Consilium Limited	6 years and 6 months
Martin Pike	Investment Strategist	3 years and 1 months	National Manager, Investment Product & Services, AMP Financial Services	2 years and 4 months
Mike Skilling	Independent Director / Investment Committee chairperson	2 years and 4 months	GM Business Financial Services & Private Banking, BNZ	8 years and 0 months
Derek Young	Investment Committee member	14 years and 3 months	Executive Director, Funds Administration New Zealand Ltd (current)	14 years and 3 months

Further information

You can also obtain this information, the PDS for Lifestages KiwiSaver Scheme, and some additional information from the offer register at www.companiesoffice.govt.nz/disclose.

Notes

¹ Note that market indices reflect no deduction for charges and tax.

² This covers expenses incurred in running the fund (e.g. accounting, audit, and regulatory compliance costs). This also covers the Supervisor's annual fee (for the services it provides) and an estimate of fees and expenses incurred by the underlying funds. Our estimates are made on the basis of reasonable assumptions about the ongoing level of fees and costs expected to be charged (taking into account the actual fees and costs as a percentage of average net asset value that were charged for the most recent scheme year). These fees are deducted from, and reflected in the unit price of the fund.

** The asset allocation of this fund, and thus the fund description, changed in April 2018.

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