

# Protector Plus AUD Fund

This fund update was first made publicly available on 18 October 2018.

## What is the purpose of this update?

This document tells you how the Protector Plus AUD Fund (**Fund**) has performed and what fees were charged. The document will help you to compare the Fund with other funds. Lifetime Asset Management Limited (**Lifetime**) 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

This Fund is a diversified investment portfolio, managed in Australian dollars (**AUD**), invested in low cost index investment funds or similar investments. The Fund is balanced between income and capital growth combined with a risk management overlay (i.e. Milliman Managed Risk Strategy<sup>1</sup>) with an investment objective to target 50% allocation to income asset classes and a 50% allocation to growth asset classes. The risk management overlay is designed to stabilise market volatility which aims to keep the risk level from increasing significantly during periods of market turbulence to preserve members capital.

Total value of the Fund	AUD \$5,027,125
Number of investors	21
The date the Fund started	14 October 2016

## What are the risks of investing?

### *Risk indicator for the Protector Plus AUD Fund*



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.



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](https://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. As the Fund has not been in existence for five years the risk indicator is based on the returns data for the period 1 April 2017 to 30 September 2018 and market index data for the period 1 October 2013 to 31 March 2017. 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 (PDS) for more information about the risks associated with investing in this Fund.

## How has the fund performed?

	Past Year
Annual return <sup>2</sup> (after deductions for charges and tax)	6.18%
Annual return <sup>2</sup> (after deductions for charges but before tax)	7.32%
Market index annual return (reflects no deduction for charges and tax)	8.93%

The market index annual return for the Fund is a composite index, calculated using the return of each asset class index the Fund invests in, weighted by the fund's benchmark asset allocation. To the extent that imputation or franking credits are available, they are included in the market index. The market index has not changed since the Fund's inception.

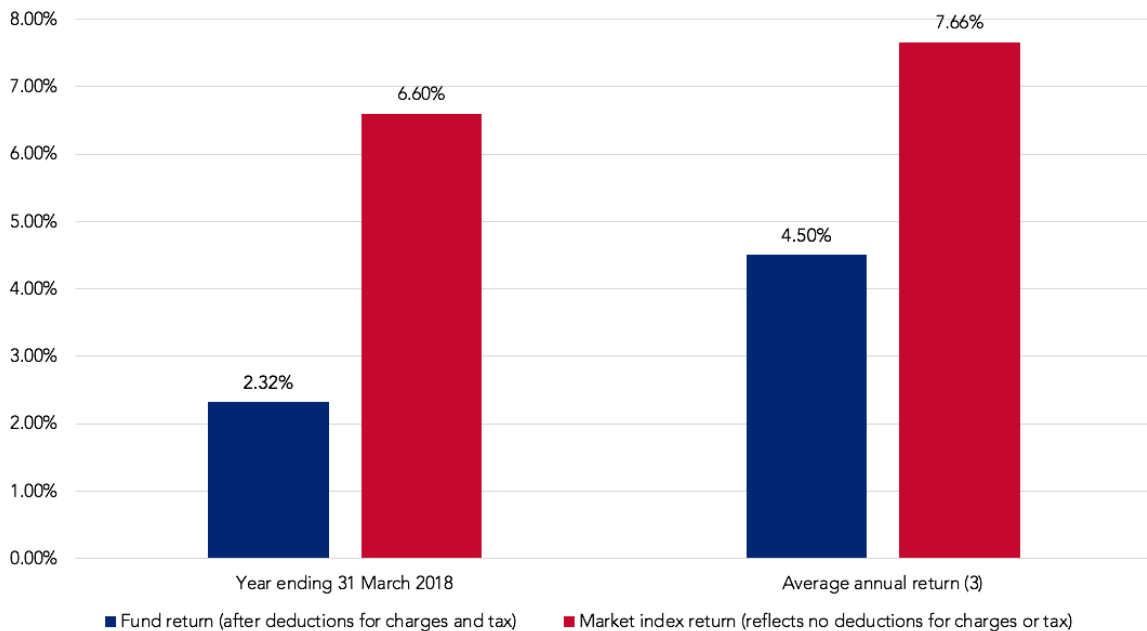


See the Statement of Investment Policy and Objectives (SIPO) for details of the Fund's benchmark asset allocation and the asset class indices.



Additional information about the market index is available in the 'Market Index' document on the 'Offer Register' at [disclose-register.companiesoffice.govt.nz](http://disclose-register.companiesoffice.govt.nz) (search for 'Garrison Bridge Superannuation Scheme').

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

	% of net asset value
<b>Total fund charges</b>	1.41%
Which are made up of:	
<b>Total management and administration charges</b>	1.41%
Including:	
<ul style="list-style-type: none"> <li>• Manager's basic fee</li> </ul>	0.84%
<ul style="list-style-type: none"> <li>• Other management and administration charges</li> </ul>	0.57%
<b>Total performance-based fees*</b>	0.00%
Other charges	Dollar amount per investor
Administration fee	AUD \$375.00

\* There are no performance fees charged by the Fund.

All fees are GST inclusive (if applicable).

Investors may also be charged individual action fees for specific actions or decisions (for example, an establishment fee). See the PDS for more information about these fees.

## Example of how this applies to an investor

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

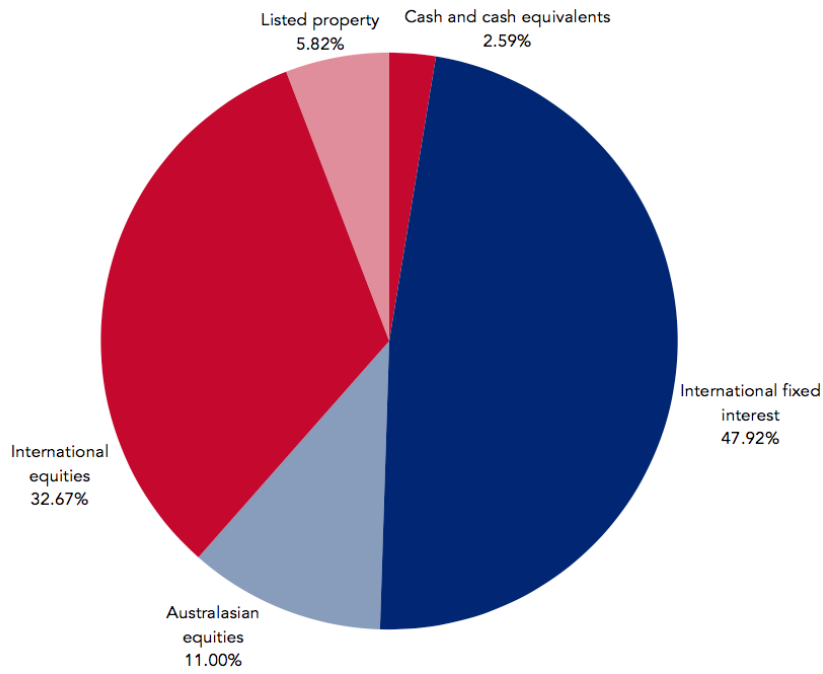
Ben had AUD \$10,000 in the Fund at the start of the year and did not make any further contributions. At the end of the year, Ben received a return after fund charges were deducted of AUD \$732 (that is 7.32% of his initial AUD \$10,000). Ben also paid AUD \$375 in other charges. This gives Ben a total return after tax of AUD \$243 for the year.

## What does the fund invest in?

---

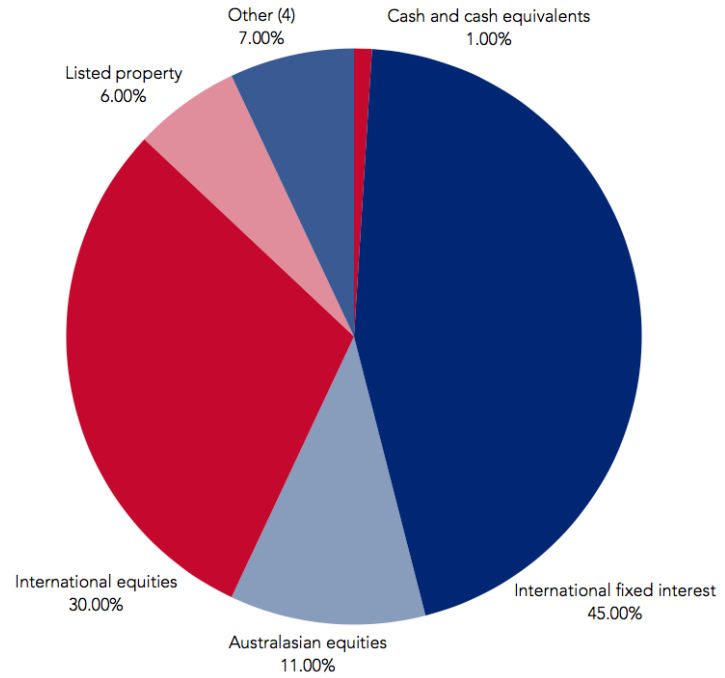
### Actual investment mix

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.



### Top 10 investments

Name	Percentage of the net asset value of the Fund	Type	Country	Credit rating (if applicable)
Vanguard International Share Index	23.52%	International equities	Australia	-
Vanguard Australian Fixed Interest Fund	20.53%	International fixed interest	Australia	-
Vanguard International Fixed Interest Index Fund (Hedged to Australian dollars)	13.84%	International fixed interest	Australia	-
Vanguard International Credit Securities Index Fund (Hedged to Australian dollars)	13.59%	International fixed interest	Australia	-
Vanguard Australian Shares Index Fund	11.01%	Australasian equities	Australia	-
Vanguard Emerging Markets Shares Index Fund	4.61%	International equities	Australia	-
Vanguard International Small Company Index (Hedged to Australian dollars)	4.57%	International equities	Australia	-
Vanguard Australian Property Securities Index	2.97%	Listed Property	Australia	-
Vanguard International Property Index (Hedged to Australian dollars)	2.85%	Listed Property	Australia	-
Cash at Bank (Australian dollar) (ANZ 'On Call' Cash Account)	1.75%	Cash and cash equivalents	New Zealand	AA-

The top 10 investments make up 99.24% of the Fund.

### Currency hedging

The base currency of the Fund and underlying funds is Australian dollars. No currency hedging is performed at the Fund level and the Fund is not hedged to New Zealand dollars. Four of the underlying funds invest in international securities and are hedged back to Australian dollars by the investment manager of the underlying funds. The remainder of the underlying investment funds are invested in Australian dollar denominated securities. The underlying funds that are hedged are:

Underlying investment fund	Benchmark hedging level
Vanguard International Fixed Interest Index Fund (Hedged to Australia dollars)	100.00%
Vanguard International Credit Securities Index Fund (Hedged to Australia dollars)	100.00%
Vanguard International Small Company Index (Hedged to Australia dollars)	100.00%
Vanguard International Property Index (Hedged to Australia dollars)	100.00%

Lifetime has made reasonable endeavours to obtain all relevant information regarding currency hedging, but due to a lack of information (i.e. the underlying investment manager does not publish foreign hedging levels) Lifetime is not able to report the foreign hedging level of the underlying funds.



Additional information about currency hedging is available in the 'SIPO' on the 'Scheme Register' at [disclose-register.companiesoffice.govt.nz](https://disclose-register.companiesoffice.govt.nz) (search for 'Garrison Bridge Superannuation Scheme').

## 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
Diana Crossan	Chair, Lifetime Asset Management Limited	2 years and 10 months	New Zealand Retirement Commissioner	9 years and 11 months
Sir Michael Cullen	Director, Lifetime Asset Management Limited	1 year and 7 months	Deputy Prime Minister of New Zealand	6 years and 3 months
Martin Hawes	Director, Lifetime Asset Management Limited	2 years and 10 months	Authorised Financial Adviser (current position)	15 years and 10 months
			Chair, Summer Investment Committee (current position)	2 years and 0 months
Ralph Stewart	Managing Director, Lifetime Asset Management Limited	4 years and 4 months	Chief Executive, Accident Compensation Corporation	1 year and 4 months
John Strahl	Director, Lifetime Asset Management Limited	2 years and 10 months	Partner, DLA Piper (New Zealand)	40 years and 3 months

## Further information



You can also obtain this information, the PDS for the Garrison Bridge Superannuation Scheme, and some additional information from the 'Offer Register' at [disclose-register.companiesoffice.govt.nz](https://disclose-register.companiesoffice.govt.nz) (search for 'Garrison Bridge Superannuation Scheme').

## Notes

1. The Milliman Managed Risk Strategy aims to stabilise the volatility of the Fund during periods of significant and sustained market declines by using hedge assets (typically exchange-traded futures contracts). See the SIPO on the scheme register at [disclose-register.companiesoffice.govt.nz](https://disclose-register.companiesoffice.govt.nz) (search for 'Garrison Bridge Superannuation Scheme') for more information about the Milliman Managed Risk Strategy.

2. The Milliman Managed Risk Strategy market hedging will commence when funds under management are of sufficient scale (i.e. greater than AUD \$30 million). In the meantime, money that would be allocated to the Milliman Managed Risk Strategy is held in cash and cash equivalents or international fixed interest. See the SIPO for more information about the Milliman Managed Risk Strategy.

3. The Fund was established on 14 October 2016 but did not receive its first investment until April 2017. Therefore, the 'Fund Return' covers the 18-month period to 30 September 2018 and the 'Market Index Return' over the 24-month period to 30 September 2018.

4. The investment categorised as 'other' is the Milliman Managed Risk Strategy. See the SIPO for more information about the Milliman Managed Risk Strategy.

