

NZD Conservative Fund

This fund update was first made publicly available on 11 July 2019.

What is the purpose of this update?

This document tells you how the NZD Conservative 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.

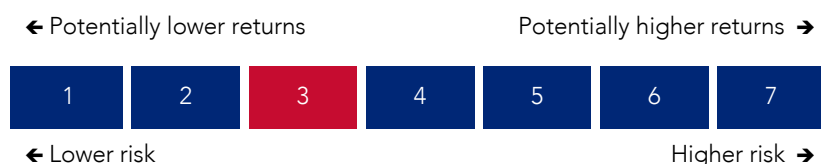
Description of this Fund

New Zealand dollar (**NZD**) denominated fund employing a passive management strategy invested 80% in income assets (NZ fixed interest), with a 20% exposure to growth assets (NZ equities). The Investment objective seeks to track a composite index (before annual fund charge and tax), comprising 80% Bloomberg NZBond Govt 0+ Yr Index and 20% S&P/NZX 50 Gross Index (including imputation credits).

| | |
|---------------------------|-----------------|
| Total value of the Fund | \$561,522 |
| Number of investors | 7 |
| The date the Fund started | 3 December 2018 |

What are the risks of investing?

Risk indicator for the NZD Conservative 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

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 3 December 2018 to 30 July 2019 and market index data for the period 1 July 2014 to 2 December 2018. 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 (after deductions for charges and tax) | Not applicable |
| Annual return (after deductions for charges but before tax) | Not applicable |
| Market index annual return (reflects no deduction for charges and tax) | 9.50% |

The market index annual return for the Fund is a composite index comprising 80% Bloomberg NZBond Govt 0+ Yr Index and 20% S&P/NZX 50 Gross Index (including imputation credits). 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 (search for 'Garrison Bridge Superannuation Scheme').

What fees are investors charged?

Investors in the Fund are charged fund charges. Based on the PDS dated 14 February 2019 these are expected to be:

| | % of net asset value |
|--|----------------------------|
| Total fund charges | 1.09% |
| Which are made up of: | |
| Total management and administration charges | 1.09% |
| Including: | |
| • Manager's basic fee | 0.20% |
| • Other management and administration charges | 0.89% |
| Total performance-based fees* | 0.00% |
| Other charges | Dollar amount per investor |
| Administration fee | \$0.00 |

* 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.

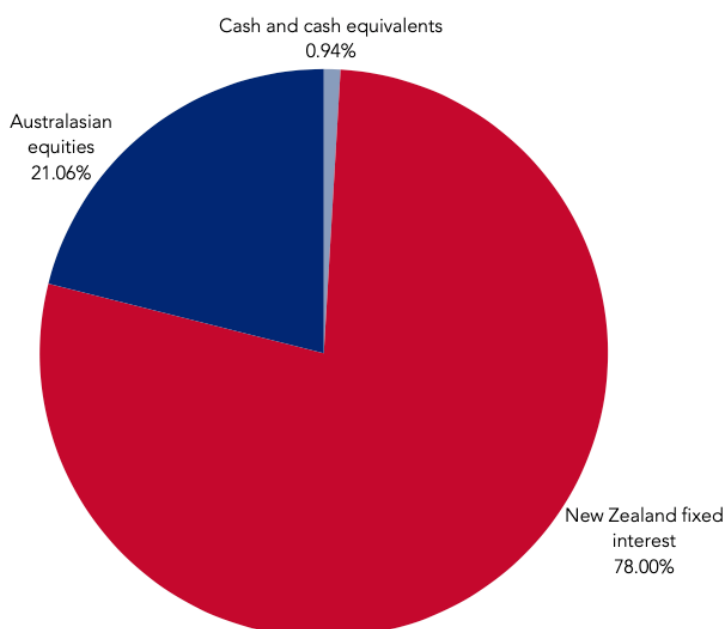
Example of how this applies to an investor¹

Ben 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, Ben received a return after fund charges were deducted of \$950 (that is 9.50% of his initial \$10,000). Ben also paid \$0 in other charges. This gives Ben a total return after tax of \$950 for the year.

What does the fund invest in?

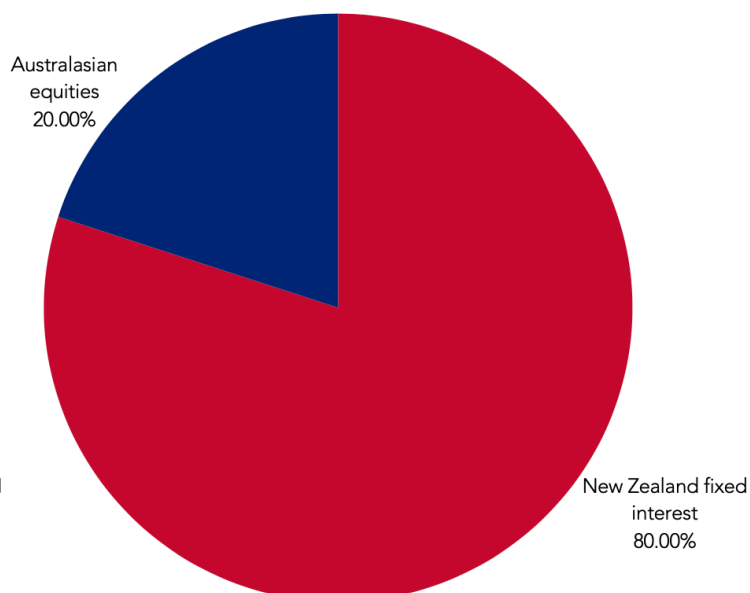
Actual investment mix

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) |
|--|---|----------------------------|-------------|-------------------------------|
| Simplicity NZ Bond Fund | 78.00% | New Zealand fixed interest | New Zealand | - |
| Simplicity NZ Share Fund | 21.06% | New Zealand equities | New Zealand | - |
| Bank of New Zealand 'On Call' Bank Account | 0.94% | Cash and cash equivalent | New Zealand | AA- |

The top 10 investments make up 100.00% of the Fund.

Currency hedging

The base currency of the fund and underlying funds are in New Zealand dollars. The underlying funds only invest in New Zealand dollar assets, so currency hedging is not applicable.



Additional information about currency hedging is available in the 'SIPO' on the 'Scheme Register' at 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 |
|--------------------|--|--------------------------|---|------------------------------------|
| Dame Diana Crossan | Chair, Lifetime Asset Management Limited | 3 years and 7 months | New Zealand Retirement Commissioner | 9 years and 11 months |
| Sir Michael Cullen | Director, Lifetime Asset Management Limited | 2 year and 4 months | Deputy Prime Minister of New Zealand | 6 years and 3 months |
| Martin Hawes | Director, Lifetime Asset Management Limited | 3 years and 7 months | Authorised Financial Adviser (current position) | 16 years and 7 months |
| | | | Chair, Summer Investment Committee (current position) | 2 years and 9 months |
| Ralph Stewart | Managing Director, Lifetime Asset Management Limited | 5 years and 1 month | Chief Executive, Accident Compensation Corporation | 1 year and 4 months |
| John Strahl | Director, Lifetime Asset Management Limited | 3 years and 7 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 (search for 'Garrison Bridge Superannuation Scheme').

Notes

1. As the Fund is new the return is based on the market index annual return (reflects no deduction for charges and tax).

