

AUD Balanced Fund

This fund update was first made publicly available on 02 February 2022.

What is the purpose of this update?

This document tells you how the AUD Balanced 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.

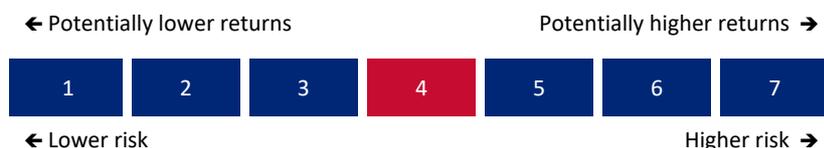
Description of this Fund

Australian Dollar denominated fund employing an active asset allocation strategy and a passive investment management strategy invested 40% in income assets (international fixed interest), with 60% exposure to growth assets (Australasian and international equities). Seeks to track composite indices (before annual fund charge and tax), comprising 20% Bloomberg Aus Bond Credit 0+ Yr Index, 20% Bloomberg Barclays Global Treasury Scaled Index hedged into Australian Dollars, 20% FTSE Australia 300 Choice Index and 40% MSCI World ex Australia Custom ESG Leaders Index 100% hedged to AUD.

| | |
|---------------------------|---------------------|
| Total value of the Fund | AUD \$20,208,968.51 |
| Number of investors | 57 |
| The date the Fund started | 3 December 2018 |

What are the risks of investing?

Risk indicator for the AUD Balanced 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 fund's returns data for the period 1 January 2019 to 31 December 2021 and market index data for the period 1 January 2017 to 31 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 <i>(Note 1)</i> ¹ |
|--|--|
| Annual return (after deductions for charges and tax) | 11.37% |
| Annual return (after deductions for charges but before tax) | 11.24% |
| Market index annual return (reflects no deduction for charges and tax) | 13.22% |

The market index annual return for the Fund is a composite index (before annual fund charge and tax), comprising 60% MSCI World ex-Australia (net dividends) (NZD hedged) and 40% FTSE World Government Bond Index (NZD hedged). 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.

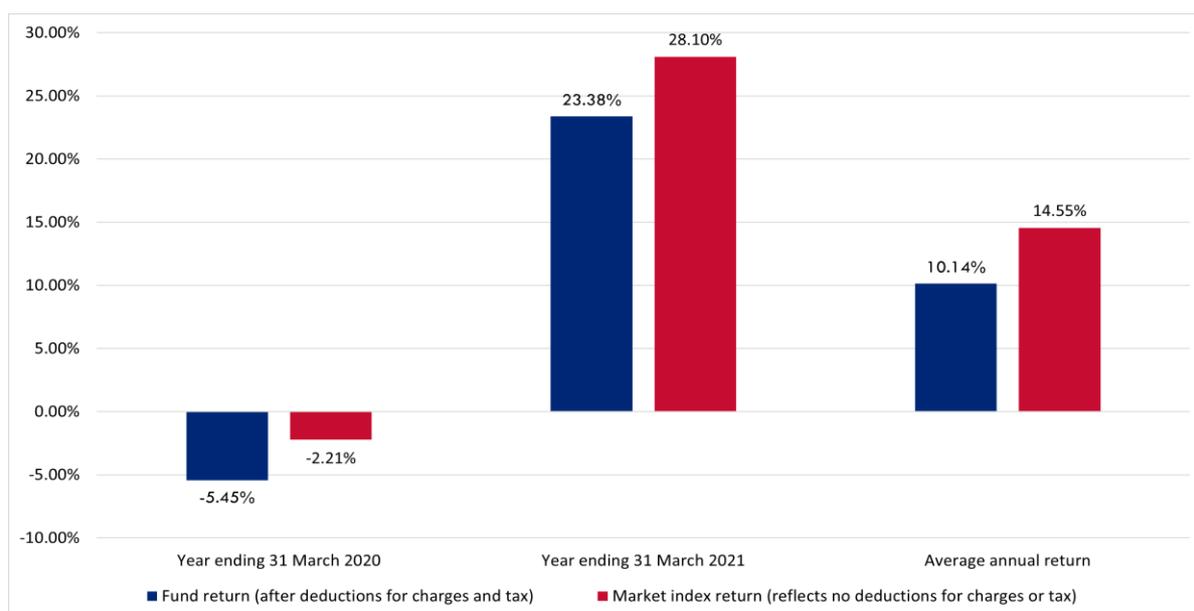


See the Statement of Investment Policy and Objectives (SIPO) for details of the Fund's benchmark asset allocation and the asset class indices.



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').

Annual Returns



This shows the fund 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 31 December 2021.

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.

¹ The performance presented here is for the 12 months to 31 December 2021. The Manager reviews the strategic asset allocation of the Fund which is conducted bi-annually or if market conditions require active intervention. As a result of the bi-annual strategic review the asset allocation for the Fund has changed. Because of the new asset allocation, From 1 January 2022 the performance of the Fund will not be directly comparable with the performance to 31 December 2021.

What fees are investors charged?

Investors in the Fund are charged fund charges. In the year to 31 March 2021 these were:

| | % of net asset value |
|--|-----------------------------------|
| Total fund charges | 1.20% |
| Which are made up of: | |
| Total management and administration charges | 1.20% |
| Including: | |
| • Manager's basic fee | 0.37% |
| • Other management and administration charges | 0.83% |
| Total performance-based fees* | 0.00% |
| Other charges | Dollar amount per investor |
| | AUD \$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 those 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.

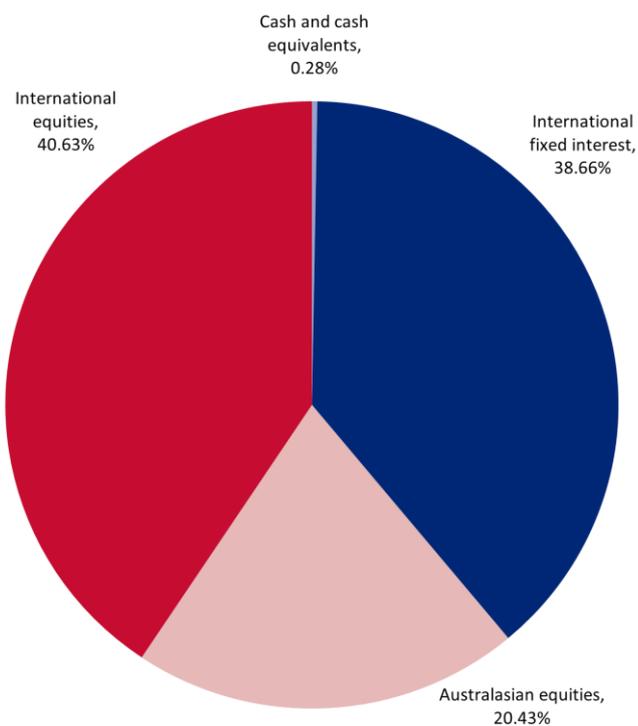
Example of how this applies to an investor

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 \$1,124 (that is 11.24% of his initial AUD \$10,000). Ben also paid AUD \$0 in other charges. This gives Ben a total return after tax of AUD \$1,137 for the year.

What does the fund invest in?

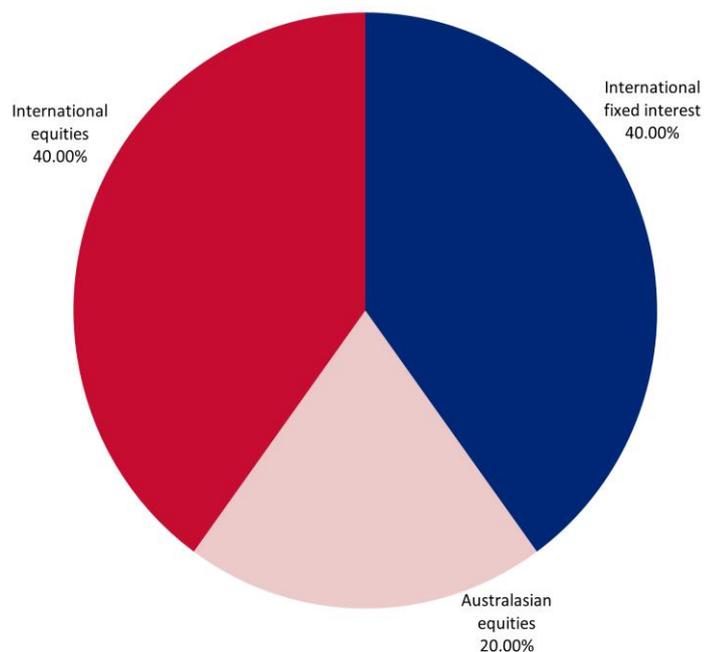
Actual investment mix

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) |
|---|---|------------------------------|-----------|-------------------------------|
| iShares Core MSCI World ex Australia ESG Leaders (AUD Hedged) ETF | 40.57% | International equities | Ireland | - |
| Vanguard Ethically Conscious Australian Shares Index | 20.40% | Australasian equities | Australia | - |
| iShares Core Corporate Bond ETF | 19.96% | Australasian fixed interest | Ireland | - |
| Vanguard International Fixed Interest (Hedged) ETF | 18.63% | International fixed interest | Ireland | - |
| AUD BNP Paribas Securities Services Australia Branch (NZ-ACNL) | 0.44% | Cash and cash equivalents | Australia | A-1 |

The top 10 investments make up 100% 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. The underlying funds invest in international securities and are 100% hedged back to Australian dollars by the investment manager of the underlying funds.

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 (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 |
|----------------|--|--------------------------|---|------------------------------------|
| Ralph Stewart | Managing Director, Lifetime Asset Management Limited | 7 years and 7 months | Chief Executive, Accident Compensation Corporation | 1 year and 4 months |
| | | | Chief Executive, AXA New Zealand | 10 years and 1 month |
| Martin Hawes | Director, Lifetime Asset Management Limited | 6 years and 1 month | Authorised Financial Adviser (<i>current position</i>) | 19 years and 1 month |
| James Beale | Director, Lifetime Asset Management Limited | 2 years and 8 months | Chief Executive, Oriens Capital (<i>current position</i>) | 5 years and 3 months |
| | | | Head of Investment Management, Craigs Investment Partners | 3 years and 4 months |
| Charles Hett | Member, Lifetime Investment Committee | 1 year and 9 months | Appointed Actuary, Lifetime Income Limited (<i>current position</i>) | 3 years and 7 months |
| | | | Head of Actuarial Services, Deloitte New Zealand | 8 years and 9 months |
| Victor Huang | (Australia) Principal and Head of Investment Solutions Asia-Pacific - Milliman Inc | 14 years and 0 months | Interest Rate Derivatives Trader, NAB | 1 year and 4 months |
| Cameron Bagrie | Member, Lifetime Investment Committee | 0 years and 8 months | Managing Director & Chief Economist, Bagrie Economics (<i>current position</i>) | 4 years and 0 months |
| | | | Chief Economist, ANZ | 11 years and 10 months |
| Kevin Stirrat | Member, Lifetime Investment Committee | 0 years and 8 months | Director/Strategy Wealth Management Research, Forsyth Barr Limited | 15 years and 10 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. The bi-annual strategic asset allocation review was completed by the Manager in November 2021, the changes approved by the Board in December 2021 and implemented between December 2021 and January 2022. The Funds' performance after 1 January 2022 will no longer be directly comparable to the performance to 31 December 2021. More information about the Funds asset allocation can be found in current Statement of Investment Policies and Objectives (SIPO), which is available on the scheme register at disclose-register.companiesoffice.govt.nz (click 'search schemes' and search for 'Garrison Bridge Superannuation Scheme').

