

## General Market Commentary

October returned a strong positive result for Garrison Bridge investors, a welcome relief from the volatility over the last twelve months. The AUD Balanced Fund led the way with a +3.39% return, while the GBP Growth Fund increased +2.65%, the GBP Balanced Fund +0.98% and the Conservative GBP fund +0.58%. The NZD Growth Fund had a strong +2.38% return for the month, with the Conservative NZD fund returning +0.69% for October. This month's positive results are a well-deserved reward for patient investors in what can only be described as a 'challenging' year as investment markets continue to grapple with rising inflation and rising interest rates.

In this commentary, we take a closer look at events in the UK over the last two months. Following the resignation of UK Prime Minister Boris Johnson in July, Prime Minister Liz Truss took office on the 10th of September 2022 promising to reenergize the British economy and put the nation on a path to "long-term success." Instead, her ill-fated and extremely short tenure was marred by turmoil as mortgage rates soared, the pound fell to record lows and chaos in bond markets threatened the country's financial stability.

One of the many issues was the mini-budget in which Treasury chief Kwasi Kwarteng announced plans to cut taxes by 45 billion pounds, while at the same time borrowing 60 billion pounds to relieve high energy prices and a cost of living crisis.

Investment markets took this increased borrowing as a sign that the Government was pushing UK public debt to unsustainable levels, while cutting taxes could cause inflation to rise further, and in response the Bank of England would be forced to increase interest rates even higher to control inflation that is already running near a 40 year high of 10.1%.

In reaction to the mini-budget, markets fell heavily, led by a collapse in the value of Government bonds. UK Pension funds, who are major holders of interest bearing Government bonds, were put under pressure to secure workers retirement funds and started selling assets. The Bank of England on the 28th of September announced a rare emergency intervention to buy up billions of long-term government bonds to stabilise the market and protect pension funds.

While Truss came to power at a difficult time — facing a cost-of-living crisis, the war in Ukraine and the lingering effects of the COVID-19 pandemic — her decision to announce 105 billion pounds of tax cuts and spending increases without providing details on how she would pay for it spooked already concerned markets.

The poor handling of the United Kingdom's finances left Liz Truss with no option other than to resign after just 45 days as UK Prime Minister. New Prime Minister, Rishi Sunak now has a major task ahead of him to restore economic stability and lead the UK out of not only an energy crisis, but a confidence crisis too.

With a sense of calm now descending on UK politics, focus naturally turns towards US mid-term elections. Interestingly, from an investors point of view, the US stock market as measured by the S&P500, has historically outperformed in the 12-month period after a mid-term election, regardless of the actual voting result, with an average return of 16.3% (in USD). One of the main reasons for this outperformance boils down to one word, stability. To paraphrase our September commentary, stay patient and prosper when stable markets begin to recover.

GBP and AUD / NZD exchange rate change from 30 September 2022 to 31 October 2022:

1 Month to 31/10/2022			
	30/09/2022	31/10/2022	% change over month
GBP / NZD	\$2.00	\$1.97	-1.5%
AUD / NZD	\$1.14	\$1.10	-3.8%

GBP and AUD / NZD exchange rate change from 31 October 2021 to 31 October 2022:

1 Year to 31/10/2022			
	31/10/2021	31/10/2022	% change over year
GBP / NZD	\$1.91	\$1.97	3.2%
AUD / NZD	\$1.05	\$1.10	4.8%

### Lifetime Asset Management Limited

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### About Garrison Bridge

Garrison Bridge Superannuation Scheme ('Scheme', 'Garrison Bridge') is a New Zealand Superannuation Scheme, regulated by the Financial Markets Authority and offered in Australia under the Mutual Recognition Scheme. The Scheme is a managed superannuation scheme that offers six investment options in NZD, AUD & GBP and has QROPS registration for foreign superannuation transfers.

Garrison Bridge is managed by Lifetime Asset Management Limited.

### Ralph Stewart – Managing Director, Lifetime Asset Management Limited



Ralph Stewart was CEO of AXA Insurance New Zealand for 9 years and more recently the CEO of ACC. He has thirty years of experience in New Zealand's financial services sector, including 8 years as General Manager of Marketing & Strategy at TOWER Insurance. Ralph holds a Masters in Business Administration from Manchester University in England.

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## Fund Summary

For the month ending 31 October 2022

# NZD Conservative Fund



### Description of this Fund

New Zealand Dollar denominated fund employing an active asset allocation strategy and a passive investment management strategy invested 70% in income assets (New Zealand and international fixed interest), with 30% exposure to growth assets (Australasian and international equities). Seeks to track composite indices (before annual fund charge and tax), comprising 10% S&P/NZX Bank Bills 90-Day Index, 40% Bloomberg NZ Bond Govt 0+ Yr Index, 20% Bloomberg Global Aggregate Index 100% hedged to NZD, 20% S&P/NZX 50 Gross Index (including imputation credits) and 10% MSCI World Ex Australia Custom ESG Leaders Index.

### Risk indicator for the NZD Conservative Fund

← Potentially lower returns

Potentially higher returns →



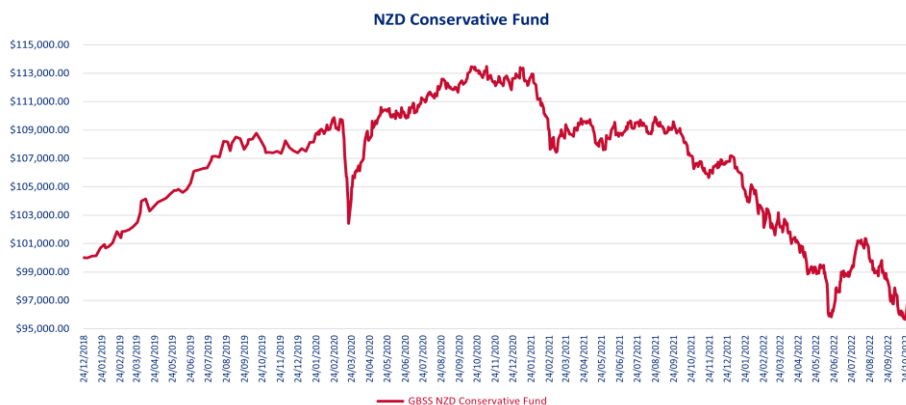
← Lower risk

Higher risk →

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. For further information on how the risk indicator is calculated, please see the Product Disclosure Statement.

### Investment performance

The chart below illustrates the performance of \$100,000 invested in the NZD Conservative Fund from inception on 24 December 2018 to 31 October 2022. The chart shows cumulative investment performance after fees, and tax (at 28%):



The below performance figures for the NZD Conservative Fund as at 31 October 2022. The returns are after fees and after taxes:

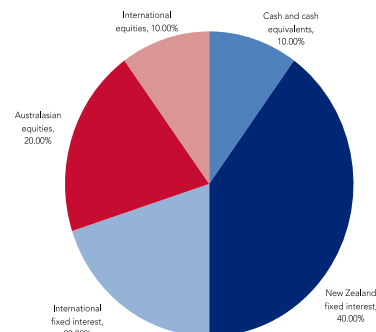
PIR Tax Rate	Month	Quarter	6-months	12-months	Inception
28%	0.65%	-3.14%	-3.37%	-8.66%	-0.69%
0%	0.69%	-3.63%	-3.59%	-9.36%	-0.96%

\* Returns for periods longer than one year are annualised

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### Target asset allocation



### Underlying Investment Managers

**Simplicity NZ Limited** are a leading investment manager located in NZ, with over \$4 billion under management.

**Harbour Asset Management Limited** are a proven fund manager with over \$2 billion under management.

**BlackRock Asset Management Limited** are the world's largest global investment manager with over \$8 trillion in assets under management.

### Key facts

**Inception date:**  
24 December 2018

**Underlying Investment Managers:**  
Simplicity NZ Ltd, Harbour Asset Management Ltd, BlackRock Asset Management Ltd

**Supervisor:**  
Public Trust

**Fund type:**  
Multi-rate Portfolio Investment Entity

**Licenced Manager:**  
Lifetime Asset Management Ltd

**Estimated annual fund charge:** 1.09%

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## Fund Summary

For the month ending 31 October 2022

# NZD Growth Fund



### Description of this Fund

New Zealand Dollar denominated fund employing an active asset allocation strategy and a passive investment management strategy invested 16% in income assets (New Zealand and international fixed interest), with 84% exposure to growth assets (Australasian and international equities). Seeks to track composite indices (before annual fund charge and tax), comprising 8% Bloomberg NZ Bond Govt 0+ Yr Index, 8% Bloomberg Global Aggregate Index 100% hedged to NZD, 30% S&P/NZX 50 Gross Index (including imputation credits) and 54% MSCI World Ex Australia Custom ESG Leaders Index.

### Risk indicator for the NZD Growth Fund

← Potentially lower returns

Potentially higher returns →



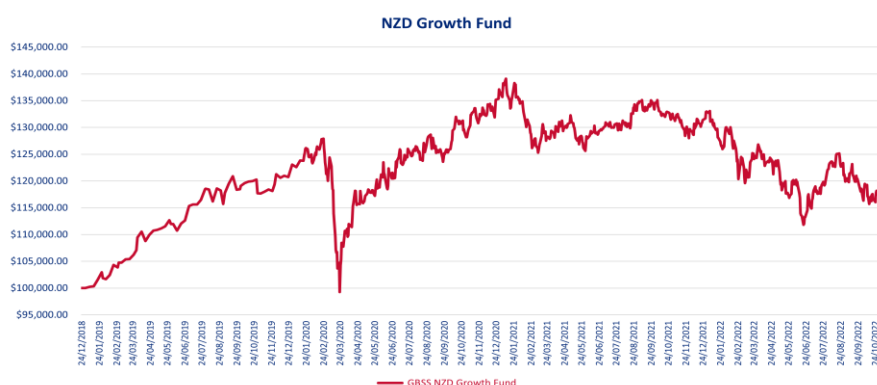
← Lower risk

Higher risk →

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. For further information on how the risk indicator is calculated, please see the Product Disclosure Statement.

### Investment performance

The chart below illustrates the performance of \$100,000 invested in the NZD Growth Fund from inception on 24 December 2018 to 31 October 2022. The chart shows cumulative investment performance after fees, and tax (at 28%):



The below performance figures for the NZD Growth Fund as at 31 October 2022. The returns are after fees and after taxes:

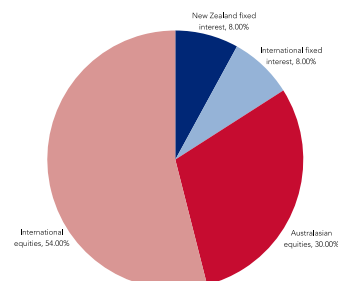
PIR Tax Rate	Month	Quarter	6-months	12-months	Inception
28%	2.34%	-1.76%	-3.37%	-9.77%	4.75%
0%	2.38%	-1.76%	-3.18%	-9.64%	4.74%

\* Returns for periods longer than one year are annualized

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### Target asset allocation



### Underlying Investment Managers

**Simplicity NZ Limited** are a leading investment manager located in NZ, with over \$4 billion under management.

**Harbour Asset Management Limited** are a proven fund manager with over \$2 billion under management.

**BlackRock Asset Management Limited** are the world's largest global investment manager with over \$8 trillion in assets under management.

### Key facts

**Inception date:**  
24 December 2018

**Underlying Investment Managers:**  
Simplicity NZ Ltd, Harbour Asset Management Ltd, BlackRock Asset Management Ltd

**Supervisor:**  
Public Trust

**Fund type:**  
Multi-rate Portfolio Investment Entity

**Licensed Manager:**  
Lifetime Asset Management Ltd

**Estimated annual fund charge:** 1.09%

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## Fund Summary

For the month ending 31 October 2022

# AUD Balanced Fund

## 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 Global Treasury Scaled Index 100% hedged to AUD, 20% FTSE Australia 300 Choice Index and 40% MSCI World ex Australia Custom ESG Leaders Index 100% hedged to AUD.

## Risk indicator for the AUD Balanced Fund

← Potentially lower returns

Potentially higher returns →



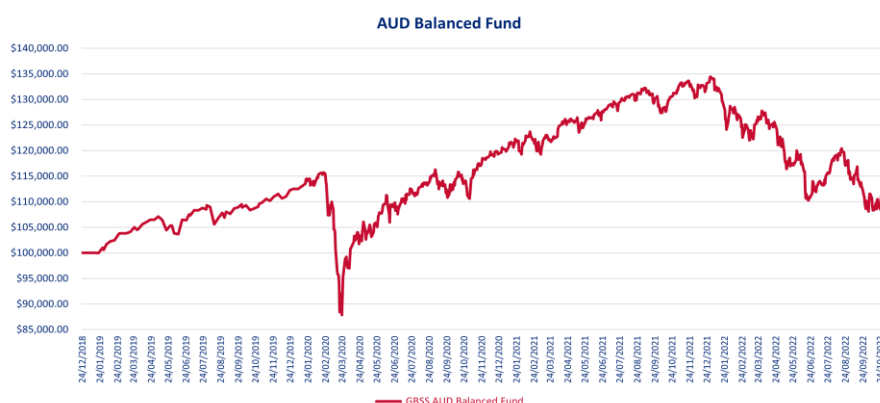
← Lower risk

Higher risk →

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. For further information on how the risk indicator is calculated, please see the Product Disclosure Statement.

## Investment performance

The chart below illustrates the performance of \$100,000 invested in the AUD Balanced Fund from inception on 24 December 2018 to 31 October 2022. The chart shows cumulative investment performance after fees, and tax (at 28%):



The below performance figures for the AUD Balanced Fund as at 31 October 2022. The returns are after fees and after taxes:

PIR Tax Rate	Month	Quarter	6-months	12-months	Inception
28%	3.29%	-4.90%	-8.47%	-14.35%	3.06%
0%	3.39%	-4.63%	-7.96%	-13.46%	3.79%

\* Returns for periods longer than one year are annualized

## Lifetime Asset Management Limited

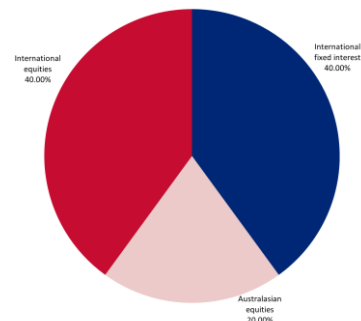
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## Target asset allocation



## Underlying Investment Managers

**Vanguard Investments Australia Limited** are the world's second largest investment manager with over \$7 trillion under management.

**BlackRock Asset Management Limited** are the world's largest global investment manager with over \$8 trillion in assets under management.

## Key facts

**Inception date:**  
24 December 2018

**Underlying Investment Managers:**  
Vanguard Investments Australia Ltd,  
BlackRock Asset Management Ltd

**Supervisor:**  
Public Trust

**Fund type:**  
Multi-rate Portfolio Investment Entity

**Licensed Manager:**  
Lifetime Asset Management Ltd

**Estimated annual fund charge:** 1.19%

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## Fund Summary

For the month ending 31 October 2022

# GBP Conservative Fund

### Description of this Fund

Great British Pound denominated fund employing an active asset allocation strategy and a passive investment management strategy invested 65% in income assets (international fixed interest and cash and cash equivalents), with 35% exposure to growth assets (international equities and listed property). Seeks to track composite indices (before annual fund charge and tax), comprising 10% Markit iBoxx GBP Liquid Investment Grade Ultrashort Index, 55% Bloomberg Barclays Global Aggregate Corporate Index 100% hedged to GBP, 5% FTSE EPRA/NAREIT UK Property Index and 30% MSCI world ESG Screened Net GBP.

### Risk indicator for the GBP Conservative Fund

← Potentially lower returns

Potentially higher returns →



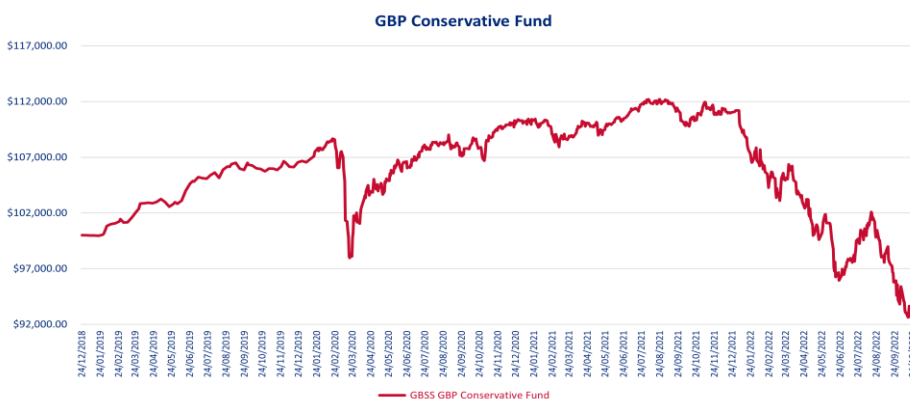
← Lower risk

Higher risk →

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. For further information on how the risk indicator is calculated, please see the Product Disclosure Statement.

### Investment performance

The chart below illustrates the performance of £100,000 invested in the GBP Conservative Fund from inception on 24 December 2018 to 31 October 2022. The chart shows cumulative investment performance after fees, and tax (at 28%):



The below performance figures for the GBP Conservative Fund as at 31 October 2022. The returns are after fees and after taxes:

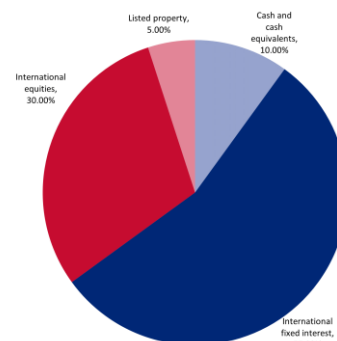
PIR Tax Rate	Month	Quarter	6-months	12-months	Inception
28%	0.48%	-5.86%	-8.66%	-14.94%	-1.52%
0%	0.58%	-5.59%	-8.14%	-14.03%	-0.47%

\* Returns for periods longer than one year are annualized

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### Target asset allocation



### Underlying Investment Manager

**BlackRock Asset Management** are the world's largest global investment manager with over \$8 trillion in assets under management. BlackRock is an American global investment management corporation based in New York. It was founded in 1988, initially as a risk management and fixed income institutional asset manager.

### Key facts

**Inception date:**  
24 December 2018

**Underlying Investment Manager:**  
BlackRock Asset Management Limited

**Supervisor:**  
Public Trust

**Fund type:**  
Multi-rate Portfolio Investment Entity

**Licensed Manager:**  
Lifetime Asset Management Ltd

**Estimated annual fund charge:** 1.14%

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## Fund Summary

For the month ending 31 October 2022

# GBP Balanced Fund

### Description of this Fund

Great British Pound denominated fund employing an active asset allocation strategy and a passive investment management strategy invested 50% in income assets (cash and cash equivalents and international fixed interest), with 50% exposure to growth assets (listed property and international equities). Seeks to track composite indices (before annual fund charge and tax), 5% Markit iBoxx GBP Liquid Investment Grade Ultrashort Index, 45% Bloomberg Global Aggregate Corporate Index 100% hedged to GBP, 5% FTSE EPRA/NAREIT UK Property Index and 45% MSCI world ESG Screened-Index Net GBP.

### Risk indicator for the GBP Balanced Fund

← Potentially lower returns

Potentially higher returns →



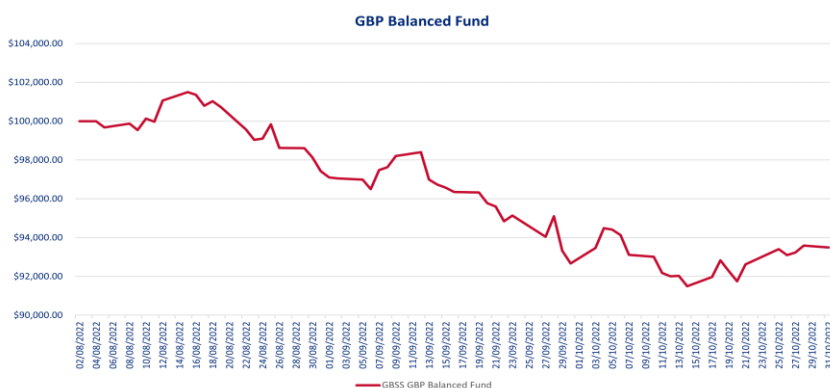
← Lower risk

Higher risk →

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### Investment performance

The chart below illustrates the performance of £100,000 invested in the GBP Conservative Fund from inception on 1 August 2022 to 31 October 2022. The chart shows cumulative investment performance after fees, and tax (at 28%):



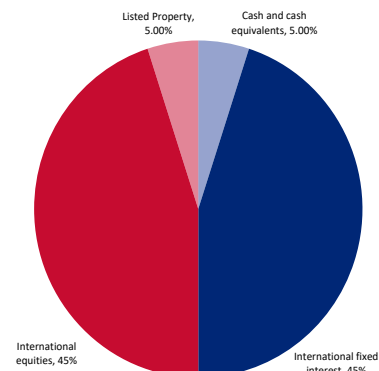
The below performance figures for the GBP Balanced Fund as at 31 October 2022. The returns are after fees and after taxes:

PIR Tax Rate	Month	Quarter	6-months	1-year	Inception
28%	0.89%	-	-	-	-6.51%
0%	0.98%	-	-	-	-6.27%

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### Target asset allocation



### Underlying Investment Manager

**BlackRock Asset Management** are the world's largest global investment manager with over \$8 trillion in assets under management. BlackRock is an American global investment management corporation based in New York. It was founded in 1988, initially as a risk management and fixed income institutional asset manager.

### Key facts

**Inception date:**  
1 August 2022

**Underlying Investment Manager:**  
BlackRock Asset Management Limited

**Supervisor:**  
Public Trust

**Fund type:**  
Multi-rate Portfolio Investment Entity

**Licensed Manager:**  
Lifetime Asset Management Ltd

**Estimated annual fund charge:** 1.19%

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