

## General Market Commentary

Investment markets have started 2023 with a positive boom! The GBP Growth Fund returned +4.16% for the month of January, while the GBP Balanced Fund added +2.87%, GBP Conservative +2.34%, AUD Balanced +3.79%, NZD Conservative +2.16% and NZD Growth +3.30% (returns are before tax).

After a tough 2022, it's certainly nice to see investment funds starting the new year with a strong positive month. So the question is, what's changed and will it continue?

As we have written in previous reports, 2022 was all about high inflation, rising interest rates and a reset for investors. Leading into the new year, it appears that inflation numbers have peaked, and it is likely that interest rates will also peak in the next few months, with potential for a fall in interest rates in early to mid 2024. In the short term, attention has turned towards the capabilities of central Governments around the world to create a 'soft landing' for the much talked about looming recession.

Investment markets are already factoring in such predictions and that is one reason we have seen investment returns bouncing back. The aforementioned looming recession is usually associated with weaker company profits, but we continue to be surprised at how resilient the world economy has proven in recent months. We have started to see some sectors, for example the high growth tech sector, take early action with announcements to lay off excess staff in anticipation of a slightly tougher economic environment.

With many of our investors being from the UK, we thought it worthwhile mentioning the independent research published by KPMG that we read over the holidays. The research from KPMG predicts UK growth will decline from 4.3% in 2022 to -1.3% in 2023 (a recession) before recovering to a small positive the following year. UK inflation is expected to fall from the current 9% p.a to 7% in 2023 and then 2.3% in 2024 while unemployment could rise from 3.7% to 5.5% over the next two years. The report goes on to say that supply chain pressures have eased (which we are also seeing in other markets including New Zealand) and that the overall outlook could turn more positive particularly if energy costs drop back to previous levels.

Returning to an overall view, the outlook for investment markets is somewhat balanced. Investors have started to move past previous concerns surrounding inflation and interest rates with the future focus turning towards long term profits. As with any investment, there are risks that need to be considered with Government finances, companies balance sheets and homeowners ability to weather higher interest rates all to be factored in. The war in Russia/Ukraine, now approaching the twelve-month anniversary, could be an outlying factor. An escalation in activity would be a negative for investment markets while any easing of tensions would be greeted positively.

GBP and AUD / NZD exchange rate change from 31 December 2022 to 31 January 2023:

1 Month to 31/01/2023			
	31/12/2022	31/01/2023	% change over month
GBP / NZD	\$1.91	\$1.91	0.3%
AUD / NZD	\$1.07	\$1.09	1.5%

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

1 Year to 31/01/2023			
	31/01/2022	31/01/2023	% change over year
GBP / NZD	\$2.04	\$1.91	-6.5%
AUD / NZD	\$1.07	\$1.09	2.2%

### Lifetime Asset Management Limited

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PO Box 10760 The Terrace, Wellington 6140, New Zealand  
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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 January 2023

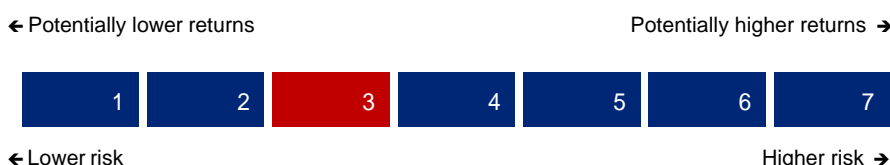
# NZD Conservative Fund



### 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.

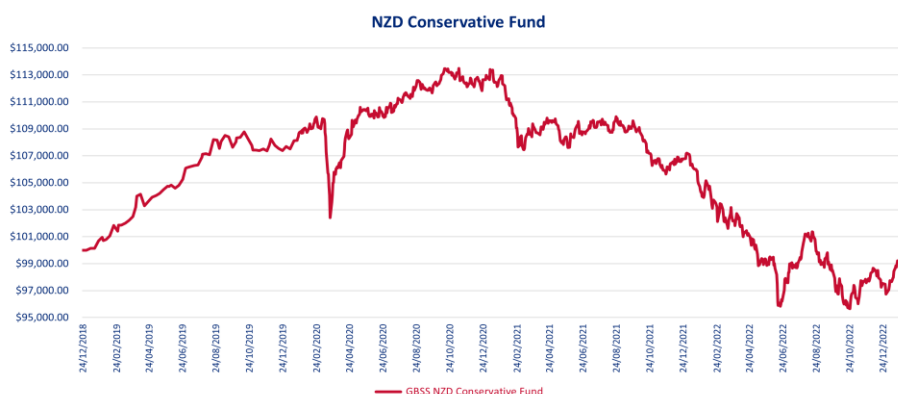
### Risk indicator for the NZD Conservative Fund



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 January 2023. The chart shows cumulative investment performance after fees, and tax (at 28%):



The below performance figures for the NZD Conservative Fund as at 31 January 2023. The returns are after fees and after taxes:

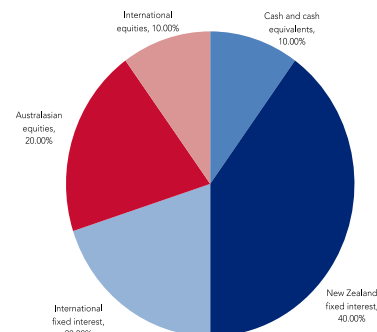
PIR Tax Rate	Month	Quarter	6-months	12-months	Inception
28%	1.90%	1.57%	-1.62%	-4.95%	-0.26%
0%	2.16%	1.79%	-1.91%	-5.56%	-0.48%

\* 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

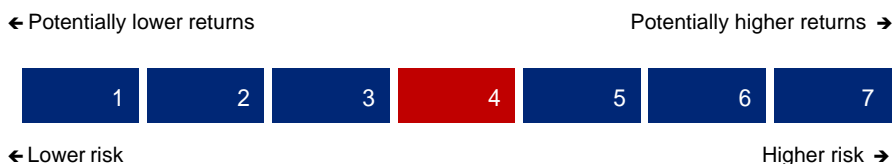
For the month ending 31 January 2023

# 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.

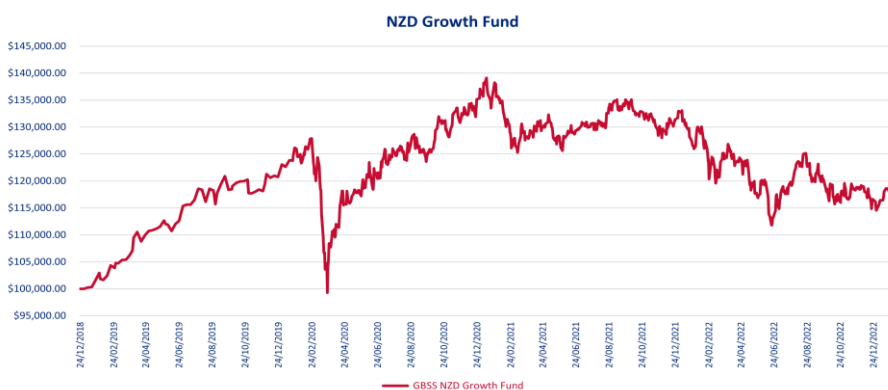
### Risk indicator for the NZD Growth Fund



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 January 2023. The chart shows cumulative investment performance after fees, and tax (at 28%):



The below performance figures for the NZD Growth Fund as at 31 January 2023. The returns are after fees and after taxes:

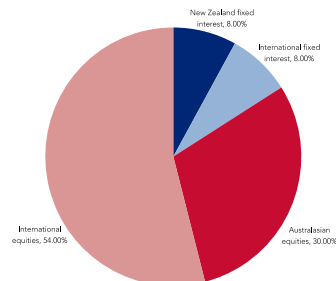
PIR Tax Rate	Month	Quarter	6-months	12-months	Inception
28%	3.19%	-0.21%	-1.97%	-6.89%	4.40%
0%	3.30%	-0.05%	-1.81%	-6.59%	4.43%

\* 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

**Licensed Manager:**  
Lifetime Asset Management Ltd

**Estimated annual fund charge:** 1.09%

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## Fund Summary

For the month ending 31 January 2023

# 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 →



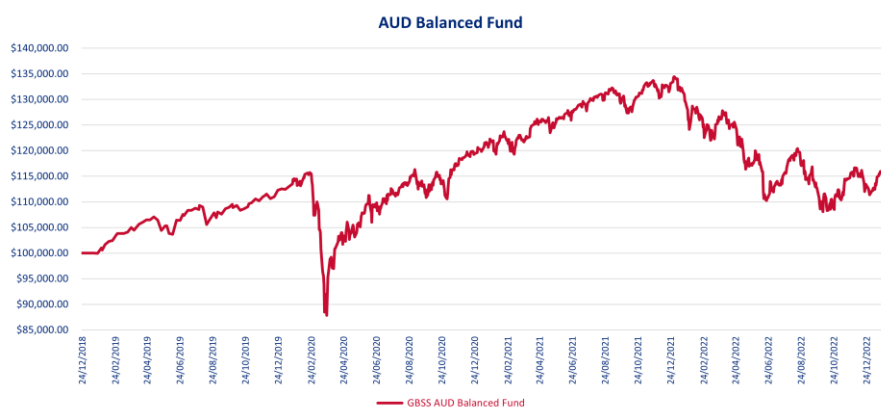
← Lower risk

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 January 2023. The chart shows cumulative investment performance after fees, and tax (at 28%):



The below performance figures for the AUD Balanced Fund as at 31 January 2023. The returns are after fees and after taxes:

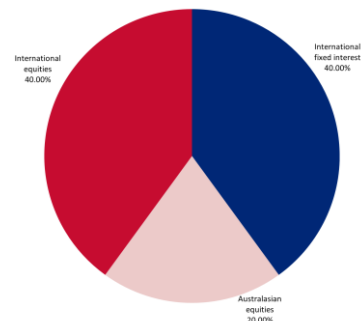
PIR Tax Rate	Month	Quarter	6-months	12-months	Inception
28%	3.70%	3.63%	-1.44%	-8.06%	3.77%
0%	3.79%	3.91%	-0.89%	-7.05%	4.53%

\* Returns for periods longer than one year are annualised

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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 January 2023

# 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 →



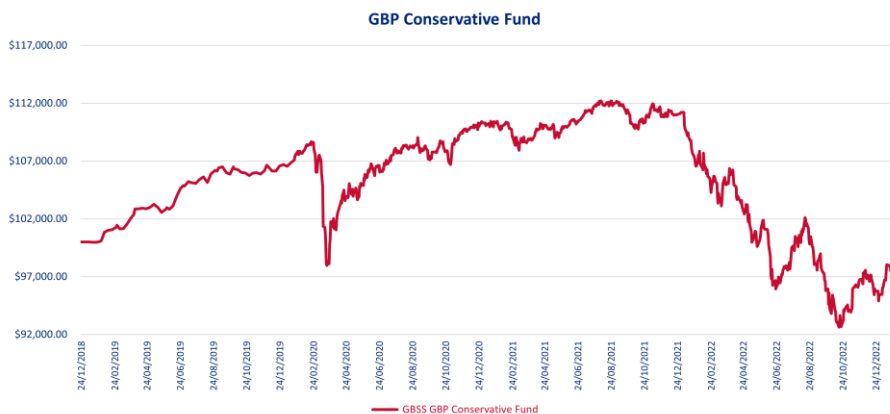
← Lower risk

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 January 2023. The chart shows cumulative investment performance after fees, and tax (at 28%):



The below performance figures for the GBP Conservative Fund as at 31 January 2023. The returns are after fees and after taxes:

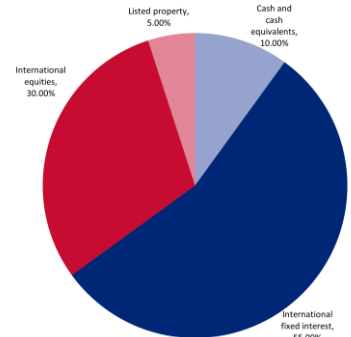
PIR Tax Rate	Month	Quarter	6-months	12-months	Inception
28%	2.24%	3.52%	-2.55%	-9.23%	-0.59%
0%	2.34%	3.81%	-1.99%	-8.16%	0.47%

\* Returns for periods longer than one year are annualised

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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 January 2023

# 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 →



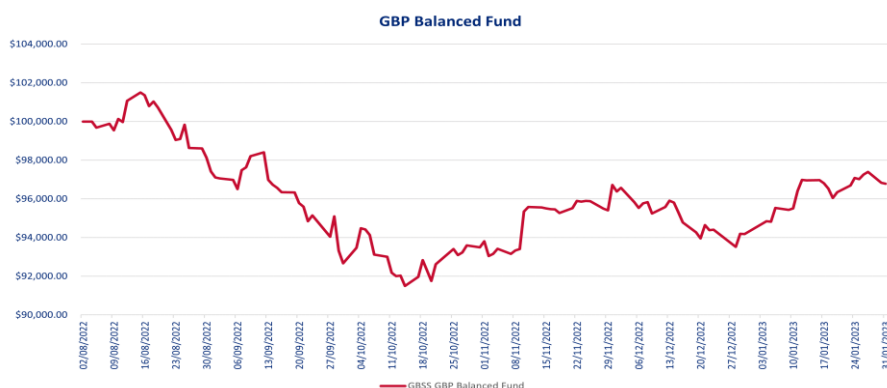
← Lower risk

Higher risk →

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 1 August 2022 to 31 January 2023. The chart shows cumulative investment performance after fees, and tax (at 28%):



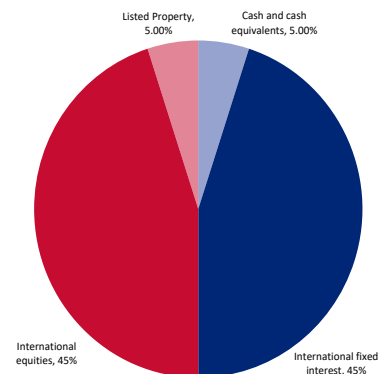
The below performance figures for the GBP Balanced Fund as at 31 January 2023. The returns are after fees and after taxes:

PIR Tax Rate	Month	Quarter	6-months	1-year	Inception
28%	2.77%	3.52%	-	-	-3.22%
0%	2.87%	3.82%	-	-	-2.69%

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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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## Fund Summary

For the month ending 31 January 2023

# GBP Growth Fund

### Description of this Fund

Great British Pound denominated fund employing an active asset allocation strategy and a passive investment management strategy invested 15% in income assets (international fixed interest), with 85% exposure to growth assets (listed property and international equities). Seeks to track composite indices (before annual fund charge and tax), comprising 15% Bloomberg Barclays Global Aggregate Corporate Index 100% hedged to GBP, 7% FTSE EPRA/NAREIT UK Property Index and 78% MSCI world ESG Screened Index Net GBP.

### Risk indicator for the GBP Growth Fund

← Potentially lower returns

Potentially higher returns →



← Lower risk

Higher risk →

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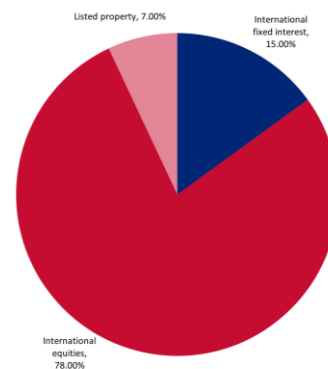
PIR Tax Rate	Month	Quarter	6-months	12-months	Inception
28%	4.06%	2.89%	-2.18%	-6.16%	6.44%
0%	4.16%	3.18%	-1.62%	-4.97%	7.58%

\* Returns for periods longer than one year are annualised

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**Inception date:**  
24 December 2018

**Underlying Investment Manager:**  
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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