

Offer of membership of the Lifestages KiwiSaver Scheme Product Disclosure Statement

As at 30 September 2021

This is a replacement product disclosure statement
("PDS") for the PDS dated 1 February 2021.



Issued by Funds Administration New Zealand Limited ("FANZ"). This document gives you important information about this investment to help you decide whether you want to invest. There is other useful information about this offer on www.disclose-register.companiesoffice.govt.nz. Funds Administration New Zealand Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial advice provider to help you to make an investment decision.

1. Key information summary

What is this?

This is a managed investment scheme. Your money will be pooled with other investors' money and invested in various investments. Funds Administration New Zealand Limited ("FANZ", "we", "us", "Manager") will invest your money and charge you a fee for its services. The returns you receive are dependent on the investment decisions of FANZ and the performance of the investments. The value of those investments may go up or down. The types of investments and the fees you will be charged are described in this document.

What will your money be invested in?

The Lifestages KiwiSaver Scheme ("Scheme") offers two funds for you to invest in. These are the Lifestages High Growth Fund; and Lifestages Income Fund (each a "Fund"); and a life cycle investment option ("Lifestages Auto").

These investment options are summarised below. More information about the investment target and strategy for each investment option is provided at section 3 "Description of your investment option(s)".

Fund Name	Description	Risk indicator	Annual fund charges* (p.a. estimated)
Lifestages High Growth Fund	The Fund aims to provide investors with capital growth over the long-term, by investing primarily in a broad spread of New Zealand and international equities, with a small amount held in cash.	<p style="text-align: center;">LOWER RISK HIGHER RISK</p> <p style="text-align: center;">← 1 2 3 4 5 6 7 →</p> <p style="text-align: center;">POTENTIALLY LOWER RETURNS POTENTIALLY HIGHER RETURNS</p>	1.11 % of net asset value
Lifestages Income Fund	The Fund aims to provide investors with a low-risk investment option that invests predominantly in income producing assets, the majority of these being cash and fixed interest investments. The Fund may also hold high dividend yielding equities and/or listed property and infrastructure investments.	<p style="text-align: center;">LOWER RISK HIGHER RISK</p> <p style="text-align: center;">← 1 2 3 4 5 6 7 →</p> <p style="text-align: center;">POTENTIALLY LOWER RETURNS POTENTIALLY HIGHER RETURNS</p>	0.79% of net asset value
Lifestages Auto	This life cycle investment option offers a combination of the Lifestages High Growth Fund and the Lifestages Income Fund that varies based on your age. The intention is to provide investors with an age-appropriate mix of the two strategies described above. The life cycle stages and their respective risk indicators are as follows:	<p style="text-align: center;">AGE LOWER RISK HIGHER RISK</p> <p>0–34 ← 1 2 3 4 5 6 7 →</p> <p>35–44 ← 1 2 3 4 5 6 7 →</p> <p>45–54 ← 1 2 3 4 5 6 7 →</p> <p>55–64 ← 1 2 3 4 5 6 7 →</p> <p>65+ ← 1 2 3 4 5 6 7 →</p> <p style="text-align: center;">POTENTIALLY LOWER RETURNS POTENTIALLY HIGHER RETURNS</p>	<p>1.11% of net asset value</p> <p>1.05% of net asset value</p> <p>0.98% of net asset value</p> <p>0.92% of net asset value</p> <p>0.87% of net asset value</p>

* A member fee of \$24 per annum is also usually charged per member. If this fee applies to you, you'll be charged \$2 per month regardless of whether you invest in one Fund, a combination of both Funds, or Lifestages Auto.

See section 4 “What are the risks of investing?” for an explanation of the risk indicator and for information about other risks that are not included in the risk indicator. To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at <https://www.lifestages.co.nz/tools/whats-your-investment-profile-risk-profile-questionnaire/>.

Who manages the Lifestages KiwiSaver Scheme?

Funds Administration New Zealand Limited manages the Scheme.

See section 7, “Who is involved?” for more information.

How can you get your money out?

You can withdraw your savings when you reach New Zealand Superannuation age (currently 65 years) although those who first joined a KiwiSaver scheme before 1 July 2019 may be subject to a 5 year lock in period (see “withdrawing your investments” at page 6.) However, you will opt out of the “five year lock-in” condition when you complete our First Retirement Withdrawal Request Application Form.

You can transfer your investment to another KiwiSaver scheme at any time.

In certain circumstances you may be able to make an early withdrawal. These include:

- Purchase of a first home;
- Significant financial hardship;
- Serious illness;
- Life-shortening congenital condition;
- Permanent emigration;
- Withdrawing savings transferred from an Australian complying superannuation fund when you reach age 60 and satisfy the definition of ‘retirement’ in Australian legislation;
- Meeting tax liability on foreign superannuation withdrawal or student loan; or
- Court ordered withdrawals.

If you die, your savings are payable to your estate.

Partial withdrawals must be for at least \$100, and must not reduce the remaining balance of your interest in the Scheme below \$500 (or \$1,000 if the withdrawal is made for the purpose of a first home purchase).

In certain circumstances, we can suspend withdrawals from the Scheme for up to six months.

For more information, see section 2 “How does this investment work?”

How will your investment be taxed?

The Scheme is a portfolio investment entity (“PIE”). The amount of tax you pay in respect of a PIE is based on your prescribed investor rate (“PIR”). This can be 10.5, 17.5, or 28%. See section 6 of the PDS (“what taxes will you pay?”) on page 13 for more information.

Where can you find more key information?

FANZ is required to publish quarterly updates for each investment option. The updates show the returns, and the total fees actually charged to investors, during the previous year. The latest fund updates are available at www.lifestages.co.nz. The manager will also give you copies of those documents on request.



Contents

	Page
1. Key information summary	1
2. How does this investment work?	4
3. Description of your investment option(s)	9
4. What are the risks of investing?	10
5. What are the fees?	12
6. What taxes will you pay?	13
7. Who is involved?	13
8. How to complain	14
9. Where you can find more information	14
10. How to apply	14

Investments in the Funds do not represent deposits or other liabilities of FANZ or its parent SBS Bank (or any other member of the SBS Bank group), and are subject to investment risk. The investment risk includes possible delays in repayment and loss of income or contributions invested. The principal and returns of the Funds are not guaranteed or secured in any way by FANZ or by its parent SBS Bank (or any other member of the SBS Bank group), the Government, the Supervisor, or any other person.

2. How does this investment work?

The Scheme is a managed fund and is governed by a “Trust Deed” between FANZ and Trustees Executors Limited (“Supervisor”).

The Scheme currently offers two Funds being the Lifestages High Growth Fund (invests primarily in equities, both domestically and globally, and is a higher risk option) and the Lifestages Income Fund (invests predominantly in income producing assets and is a lower risk option).

The Scheme is a pooled investment. By investing, you are pooling your investment with other investors. This means you may have access to a wider range of investment choices and greater buying power than you would usually have if investing alone.

Units in the relevant Fund(s) are issued to reflect your contributions and other amounts received for you (such as the Government contributions, if you qualify). Each unit has a price calculated each business day based on the value of the fund’s assets at the time, which may go up or down.

The Scheme is treated as a single fund. This means the assets of the Scheme are available to meet the liabilities of all of the Funds.

Significant features and benefits

We’re with you: You will need to decide which option is right for you, but you don’t need to do this alone. We have expert financial advisers situated throughout New Zealand, as well as a digital team available online, who can help you decide if you are unsure – all at no additional charge.

We also have a mobile “app”, retirement calculator, risk profiler, and other tools available online to assist you in reaching your financial goals.

Investment Expertise: Our experienced investment team selects a range of well researched specialist investment management firms and securities in New Zealand and around the world. This is mixed with academically researched asset class portfolio construction and an overlay that incorporates social, environmental and governance investment considerations to make sure we invest your money responsibly.

Lifestages Auto: This is not a separate fund. It invests in combinations of the Lifestages High Growth Fund and the Lifestages Income Fund in proportions that vary in accordance with pre-selected age bands. This option automatically adjusts the risk profile of your investment by altering the proportions invested into the funds based on your age as at 31 July each year.

We can change the age ranges and the Fund exposures for the Lifestages Auto options at any time. If you invest in Lifestages Auto, we will notify you of any such change and adjust your contributions and accumulated balance(s) accordingly. As the manager, we tailor the asset allocation of the Lifestages Auto profiles to match appropriate levels of risk and expected returns for an average person of your age. The suitability of these profiles for an individual investor is based solely on age and does not take your personal circumstances into account.

Self-select: You can choose to invest in the Lifestages High Growth Fund and Lifestages Income Fund in proportions that you decide, taking into account your personal financial goals.

Default investment option: If you do not select a Fund, or a combination of Funds, your contributions will be invested into the Lifestages Auto option.

Annual rebalancing: We will rebalance your investments annually on or about 15 August to restore your investment mix back to the investment proportions of the Lifestages Auto age investment profile or self-select proportions you have nominated (unless we notify you otherwise).

Regular withdrawals: You can tailor your level of withdrawals to provide you with regular income if you have met the retirement eligibility conditions. Alternatively, you are able to take a lump sum.

Joining the Scheme

You can join the Scheme online if you are over 18 at www.lifestages.co.nz; or by completing an application form. You are eligible to join if you are already a member of another KiwiSaver scheme or someone who is:

- A New Zealand citizen or, entitled to live in New Zealand indefinitely; and
- Normally living in New Zealand or, where eligible, a State Services employee serving overseas.

If you do not select a Fund, or a combination of Funds, your contributions will be invested in the Lifestages Auto option.

Employer chosen scheme: If your employer has chosen the Scheme as their preferred KiwiSaver scheme, and you are not already a member of KiwiSaver, you will be automatically enrolled in the Scheme when you first start employment and your contributions will be invested in the Lifestages Auto option. If you have been automatically enrolled, you can choose to opt out between 14 to 56 days from the date you started your new job. You will need to apply to Inland Revenue to do so.

Section 10 “How to apply” outlines how to join the Scheme.

Making investments

The contribution types are summarised below.

Employee contributions: If you are an employee earning salary or wages, you will need to make regular contributions (unless you are on a savings suspension or you have reached “qualifying age”).

You can choose to contribute an amount equal to 3, 4, 6, 8 or 10% of your gross (before tax) salary or wages, plus any other remuneration such as bonuses and overtime. If you do not choose a contribution rate, your rate will be 3%. You can change your contribution rate between these percentages, or even take a savings suspension, from time to time.

Your employer will normally deduct your contributions automatically from your salary or wages and pay them directly to Inland Revenue who will pass them on to the Scheme (with interest, if any).

Voluntary contributions: All members (including if you are self-employed or not earning) can also make voluntary contributions. You can make voluntary lump sum payments direct to your Scheme account or via Inland Revenue. There is a minimum contribution level of \$50 for an initial lump sum contribution, but no minimum contribution for regular and ad hoc contributions.

Regular contributions: You can set up a regular payment at any time in the Scheme via Online Banking or by completing the application form and the direct debit authority.

Transferred contributions: You may also be able to transfer savings from an existing New Zealand or overseas superannuation scheme. To transfer from an Australian complying superannuation fund, you will have permanently immigrated to New Zealand.

Employer contributions: Your employer is generally required by law to make regular contributions to your KiwiSaver account unless:

- You are under 18;
- You have reached the age of 65*;
- You are on a savings suspension or are not contributing;
- You have made a Life-shortening Congenital Conditions withdrawal; or
- They are already making contributions for your benefit to another retirement scheme, which meet their employer contribution obligations.

Your employer's contributions must equal a minimum of 3% of your gross (before tax) salary or wages. They will have employer superannuation contribution tax deducted from them. Your employer can also make additional voluntary contributions through Inland Revenue to your KiwiSaver account.

* If you joined KiwiSaver (or a complying fund) before 1 July 2019, a 5 year minimum membership requirement applies if you were aged 60 or over when you joined. During the 5 year minimum membership period you are entitled to compulsory employer contributions if you are contributing from your wages or salary. Once you've reached the age of 65 you can opt out of this requirement, however if you do so you will forgo your entitlement to compulsory employer contributions.

Government contribution: Under current law (while you contribute and are eligible), the Government will make an annual contribution to your account (formerly known as a member tax credit). This is currently 50c for every dollar you contribute, up to a maximum Government contribution of \$521.43 a year (matching member contributions of \$1,042.86 a year).

Government contributions are calculated annually based on the total employee and voluntary contributions you have made during the last year (1 July to 30 June) and the number of days occurring that year that you were eligible to receive a Government contribution.

You will be eligible if:

- You are at least 18 years old and have yet to reach 65**; and
- You mainly live in New Zealand.

** If you joined KiwiSaver (or a complying fund) before 1 July 2019, a 5 year minimum membership requirement applies if you were aged 60 or over when you joined. During the 5 year minimum membership period you are entitled to receive the Government contribution. Once you've reached the age of 65 you can opt out of this requirement, however if you do so you will forgo your entitlement to the Government contribution. Your entitlement will be prorated from 1 July in the year that you opt out until the date you opt out.

Savings suspension: You can suspend your employee contributions at any time, after you have been a member for one year, for periods of up to one year. If you have been a member for less than one year, you may apply to Inland Revenue for an early savings suspension on the grounds of financial hardship. If you do so, your employer will not be required to contribute during the period.

See the "Other Material Information" document on the offer register at www.lifestages.co.nz for more information about making investments.

Withdrawing your investments

As the Scheme is a KiwiSaver scheme and is intended to support your retirement, you can generally only withdraw your money when you reach qualifying age, currently 65.

If you joined a KiwiSaver scheme prior to 1 July 2019, you will also be subject to a "five year lock-in period", unless you choose to opt out (although if you do that and have turned 65 you won't be eligible to receive any Government contributions and your employer can stop its contributions).

Except:

- If you joined KiwiSaver on or after 1 July 2019, the five year lock-in period does not apply.
- If you are subject to the five year lock-in period, you can opt out of that minimum membership requirement (although if you do that and have turned 65 you won't be eligible to receive any Government contributions and your employer can stop its contributions).

Restrictions on withdrawals are set out in the KiwiSaver Act 2006 and within the “Other Material Information” document found on the offer register at www.disclose-register.companiesoffice.govt.nz or within the relevant withdrawal application forms. The withdrawal features are summarised in the table below.

Withdrawal type	What can I withdraw?			
	Your contributions, employer contributions and all returns	Annual Government contributions (net of any potential claw backs and expenses)	\$1,000 Government kick-start (was only available to KiwiSaver members who joined on or before 21 May 2015)	Amounts transferred from an Australian complying superannuation fund
Retirement (“Qualifying Age”)	✓	✓	✓	✓*
Purchase of first home (or second home in certain circumstances). The value of your investment after the withdrawal must be at least \$1,000.	✓	✓	✓	
Significant financial hardship Payment is at the sole discretion of the Supervisor (apply to Inland Revenue if a member of less than 2 months).	✓			✓
Serious illness Payment is at the discretion of the Supervisor and is subject to confirmation of a Serious Illness from a medical practitioner.	✓	✓	✓	✓
Life-shortening congenital conditions Payment is at the discretion of the Supervisor and is subject to confirmation of Life-shortening Congenital Condition from a medical practitioner.	✓	✓	✓	✓
Permanent emigration to Australia You can transfer to an Australian complying superannuation fund.	✓	✓	✓	✓
Permanent emigration (excluding Australia) Refer to the conditions contained in the relevant application form.	✓		✓	
Death Your balance will be paid to your estate.	✓	✓	✓	✓
Foreign superannuation transfers, NZ tax or student loan applications	✓	✓	✓	✓
As directed by court order Includes an order under s31 of the Property (Relationship) Act 1976.	✓	✓	✓	✓

* Amounts transferred are available following retirement from age 60.

Minimum withdrawal amounts apply: if you are not making a full withdrawal the minimum withdrawal amounts can be found in the table below.

Withdrawal type	Minimum amount	Frequency
Lump sum	\$100	Any time
Regular withdrawal	\$100	Weekly, fortnightly, monthly

We can alter these minimum amounts (and the permitted manner and frequency of withdrawals) at any time.

Minimum balances apply: We can also set a minimum balance that must remain in your account or a Fund. Currently you must have a minimum balance of \$500 in the Scheme (or \$1,000 if a withdrawal is made for the purpose of a first home purchase). This would require you to make a full withdrawal if your account balance fell below the minimum amount.

Suspension powers: In certain circumstances we may need to suspend or delay payment of withdrawals for up to six months.

See the “Other Material Information” document on the offer register at www.disclose-register.companiesoffice.govt.nz for more information.

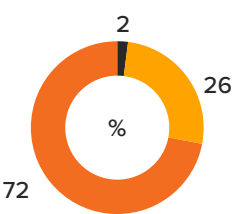
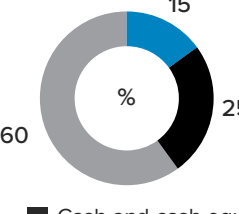
How to switch between Funds

You can change the Fund or Funds you are invested in at any time, subject to any terms we may have. You do this by selecting an investment profile that includes the Lifestages High Growth and/or Income Funds or, alternatively, the Lifestages Auto option. We will then switch your existing savings and future contributions to reflect your selection on the next valuation date.

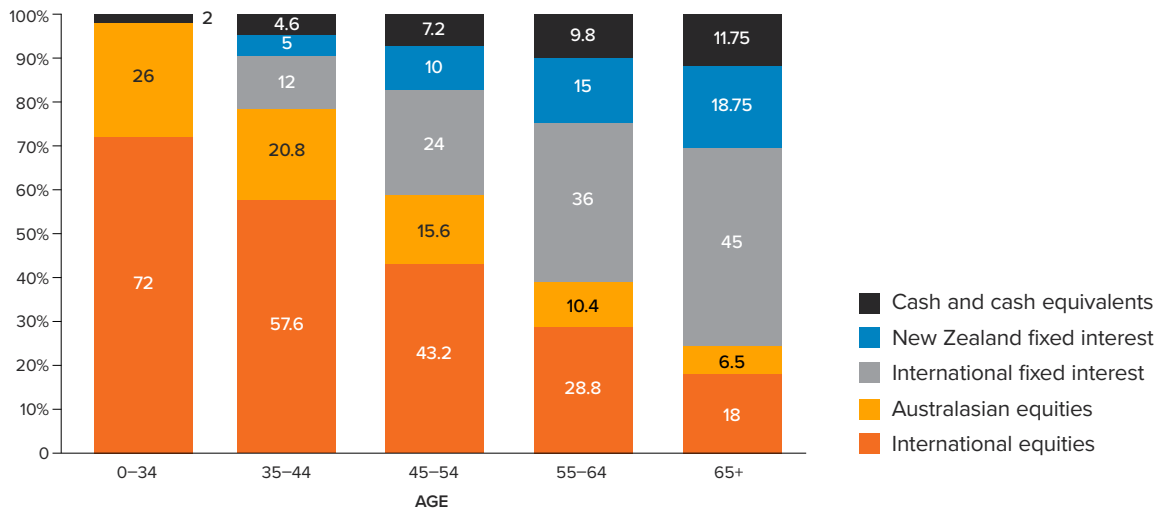
You can do this online or by using the relevant form on our website www.lifestages.co.nz.

See the “Other Material Information” document on the offer register at www.disclose-register.companiesoffice.govt.nz for more information about switching between Funds.

3. Description of your investment option(s)

Fund name	Summary of investment objectives and investment strategies	Target investment mix	Risk indicator	Recommended minimum investment timeframe
Lifestages High Growth Fund	<p>Objective: To provide a gross return which exceeds the return of the benchmark on a rolling three year basis.</p> <p>Strategy: The Fund will invest primarily in a broad spread of New Zealand and international equities.</p> <p>The Fund may not produce much in the way of income but should produce long term capital growth and a greater return than the Income Fund.</p>	 <p>72 26 2</p> <ul style="list-style-type: none"> Cash and cash equivalents (1–10%) Australasian equities (10–40%) International equities (50–90%) 	<p>LOWER RISK HIGHER RISK</p> <p>← 1 2 3 4 5 6 7 →</p> <p>POTENTIALLY LOWER RETURNS POTENTIALLY HIGHER RETURNS</p>	7 years
Lifestages Income Fund	<p>Objective: To provide a gross return which exceeds the return of the benchmark on a rolling three-year basis.</p> <p>Strategy: The Fund will invest predominantly in income producing assets, the majority of these being cash and fixed interest investments. The Fund may also hold high dividend yielding equities and/or listed property and infrastructure investments.</p> <p>The Fund may not produce much in the way of capital growth but should produce more stable returns.</p>	 <p>60 25 15</p> <ul style="list-style-type: none"> Cash and cash equivalents (10–40%) New Zealand fixed interest (10–40%) International fixed interest (30–70%) Australasian Equities (0–15%) Listed Property (0–10%) Infrastructure (0–10%) 	<p>LOWER RISK HIGHER RISK</p> <p>← 1 2 3 4 5 6 7 →</p> <p>POTENTIALLY LOWER RETURNS POTENTIALLY HIGHER RETURNS</p>	2 years
Lifestages Auto	<p>Description: These life cycle investment options offer a combination of the Lifestages High Growth Fund (“High Growth”) and the Lifestages Income Fund (“Income”) that varies based on your age.</p> <p>Objective: To provide appropriate levels of risk and return for an average person within each life cycle stage, noted in the next column.</p> <p>Strategy: The individual investment objectives and investment strategies for each Fund that the different life cycle stages invest in are set out above.</p>	<p>Age 0–34:* 100% High Growth 0% Income</p> <p>Age 35–44:* 80% High Growth 20% Income</p> <p>Age 45–54:* 60% High Growth 40% Income</p> <p>Age 55–64:* 40% High Growth 60% Income</p> <p>Age 65+:* 25% High Growth 75% Income</p>	<p>LOWER RISK HIGHER RISK</p> <p>← 1 2 3 4 5 6 7 →</p> <p>POTENTIALLY LOWER RETURNS POTENTIALLY HIGHER RETURNS</p>	7 years

*** Lifestages Auto Target Investment Mix**



We can change the age ranges and the Fund exposures for the Lifestages Auto options at any time. If you are invested in Lifestages Auto, we will notify you of any such change and adjust your contributions and accumulated balance(s) accordingly, if applicable.

Changes to the SIPO

We can change the Statement of Investment Policy and Objectives (“SIPO”) for the Scheme in accordance with the Trust Deed and the Financial Markets Conduct Act 2013. We and the Supervisor must agree in writing to any changes to the SIPO. For material changes, we will provide 30 days’ notice in advance to all existing members of the proposed change.

Any changes to the SIPO will be lodged with the Registrar of Financial Service Providers within 5 working days of the change taking effect. The most current version of the SIPO can be found on the offer register at www.disclose-register.companiesoffice.govt.nz.

Further information about the assets in each investment option can be found in the fund updates at our website, www.lifestages.co.nz.

Responsible Investment

Our aim is to grow our clients’ capital investment over the long term. We believe incorporating responsible investing allows us to enhance and preserve value for clients.

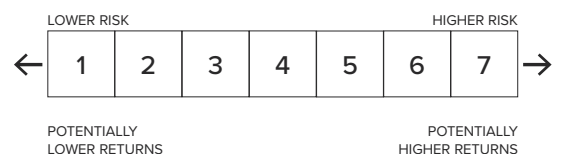
Responsible investment, including environmental, social, and governance considerations, is taken into account in the investment policies and procedures of the scheme as at the date of this product disclosure statement. You can obtain an explanation of the extent to which responsible investment is taken into account in those policies and procedures at www.lifestages.co.nz. We screen your KiwiSaver investments to ensure that the following harmful practises are not invested in or are only invested in at levels that are minimised.



4. What are the risks of investing?

Understanding the risk indicator

Managed funds in New Zealand must have a standard risk indicator. The risk indicator is designed to help investors understand the uncertainties both for loss and growth that may affect their investment. You can compare funds using the risk indicator.



Example risk indicator

The risk indicator for each investment option can be found in section 3 “Description of your investment option(s)”.

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 (volatility). 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 <https://www.lifestages.co.nz/tools/whats-your-investment-profile-risk-profile-questionnaire/>.

Note that even the lowest category does not mean a risk-free investment, and there are other risks (described under the heading “Other specific risks”) that are not captured by this rating.

This risk indicator is not a guarantee of a fund’s future performance. The risk indicator is based on the returns data for the five years to 30 June 2021. While risk indicators are usually relatively stable, they do shift from time to time. You can see the most recent risk indicator in the latest fund updates for the relevant investment option.

General investment risks

Some of the things that may cause the Funds’ value to move up and down, which affect the risk indicator, are:

Investment return risk: Investment return risk is the risk that returns from the Funds’ investments will be negative or lower than expected, affecting the value of your investment in the Funds.

Market risk: Investments generally are affected by movements in market demand and supply, economic conditions, market sentiment, political events, natural disasters, pandemics, climate change, and consumer demand. This is of significance to the Funds offered under this PDS as the assets of those Funds are market linked.

Currency risk: Currency risk is the risk of exchange rate fluctuations between the New Zealand dollar (the currency in which the Funds are valued) and foreign currencies.

Currency risk will affect Funds where investments are made outside of New Zealand. To help mitigate the potential impact of currency movements, Funds with non-Australian dollar foreign currency exposure use varying levels of hedging. The currency management policy for each Fund is detailed in its SIPO.

Credit risk: Credit risk is the risk of a Fund or of any investment becoming insolvent, or being placed into receivership, liquidation, or statutory management or being otherwise unable to meet its financial obligations.

Company risk: Company risk is the risk faced by an investor who holds financial products of a particular company and therefore has exposure to the fluctuations in that company’s performance.

Liquidity risk: Liquidity risk is the risk that due to market disruption, we may not be able to easily convert some investments into cash. This may cause the suspension of one or more Funds.

Other specific risks

There are other factors that may affect an investor’s returns that are not reflected in the risk indicator.

SBS Bank counterparty risk: The Lifestages Income Fund has significant exposure to SBS Bank through its investments in unsecured deposits issued by SBS Bank.

Investments are made on an arms-length basis and on normal commercial terms. Any event or circumstance affecting SBS Bank’s ability to pay interest on, or repay the principal amount of, those investments could mean that SBS Bank is unable to make interest payments, or is unable to repay those investments when they mature (or at all). This could materially affect the assets and investment performance of the fund. The current credit rating for SBS Bank can be found in the latest fund update.

See the “Other Material Information” document on the offer register at www.disclose-register.companiesoffice.govt.nz for more information about risk.

Asset allocation risk: Over a longer time-frame, the selection of an incorrect risk profile or a change in risk profile in response to current market events by a member can have significant impacts on potential retirement income. We have a variety of tools and financial advisers available to members to minimise this risk for no additional charge.

5. What are the fees?

You will be charged fees for investing in the Scheme. Fees are deducted from your investment and will reduce your returns. If FANZ invests in other funds, those funds may also charge fees. The fees you pay will be charged in two ways:

- Regular charges (for example, annual fund charges). Small differences in these fees can have a big impact on your investment over the long term; and
- One-off fees (for example, contribution fees and withdrawal fees — although these are not currently charged).

Fund name	Annual management fee	Annual administration charges* (estimated)	Total annual fund charges (estimated)	Other charges
Lifestages High Growth Fund	0.80%	0.31%	1.11%	Member fee of \$24 per annum per member (\$2 per month)
Lifestages Income Fund	0.50%	0.29%	0.79%	
Lifecycle option				
Lifestages Auto 0–34	0.80%	0.31%	1.11%	
Lifestages Auto 35–44	0.74%	0.31%	1.05%	
Lifestages Auto 45–54	0.68%	0.30%	0.98%	
Lifestages Auto 55–64	0.62%	0.30%	0.92%	
Lifestages Auto 65+	0.58%	0.29%	0.87%	

* Annual administration charges include estimates of underlying fund charges. Actual charges will depend on the performance of the underlying funds and investment managers and may vary from the estimates. Actual charges over the most recent completed financial year are available in the latest fund updates.

All fees are disclosed as a % of the net asset value. GST will be included in some expenses, where applicable.

Management fees: Each Fund has an annual management fee, which is used to pay for the investment management services and the administration costs of the Fund. The fee is deducted from, and reflected in the unit price, of the Funds concerned.

Administration charges: This covers expenses incurred in running the Funds (e.g. accounting, audit, and regulatory compliance costs). This also covers the Supervisor’s annual fee (for the services it provides) and an estimate of fees and expenses incurred by the underlying funds. These fees are deducted from, and reflected in the unit price of the Funds concerned.

Other charges: This is a monthly member fee of \$2 (\$24 per annum), which may be deducted from your account the following month by redeeming some of your units (or when you have a sufficient balance).

Individual action fees: We do not currently charge contribution, establishment, termination, withdrawal fees or buy/sell costs, but we could charge these or other fees in the future, subject to giving affected members at least 30 days’ prior notice.

We are entitled to charge a maximum exit fee on all Funds of 5% of the amount withdrawn.

See the “Other Material Information” document on the offer register at www.disclose-register.companiesoffice.govt.nz for more information about fees.

Example of how fees apply to an investor

Michelle invests \$10,000 in the Lifestages High Growth Fund. The starting value of her investment is \$10,000.

She is charged management and administration fees, which work out to be about \$111 (1.11% of \$10,000). These fees might be more or less if her account balance has increased or decreased over the year.

Over the next year Michelle pays other charges of \$24.

Estimated total fees for the first year

Individual action fees:	\$0
Fund charges:	\$111
Other charges:	\$24

See the latest fund updates for an example of the actual returns and fees investors were charged over the past year. This example applies only to the Lifestages High Growth Fund. If you are considering investing in another Fund, or investment option in the scheme, this example may not be representative of the actual fees you may be charged.

The fees can be changed

We may agree with the Supervisor to vary the fees from time to time. Fees not currently charged may also be introduced at any time as permitted by the Trust Deed. However, any changes in fees will be subject to the “reasonable fees” restrictions outlined in the KiwiSaver Act.

We must publish a fund update for each investment option showing the fees actually charged during the most recent year. Fund updates, including past updates, are available on the offer register at www.disclose-register.companiesoffice.govt.nz.

6. What taxes will you pay?

The Scheme is a portfolio investment entity. The amount of tax you pay is based on your prescribed investor rate (“PIR”). To determine your PIR, go to www.ird.govt.nz/roles/portfolio-investment-entities/find-my-prescribed-investor-rate. If you are unsure of your PIR, we recommend you seek professional advice or contact the Inland Revenue Department (“IRD”). It is your responsibility to tell FANZ your PIR when you invest or if your PIR changes. If you do not tell FANZ, a default rate may be applied. If the rate applied to your PIE income is lower than your correct PIR, you will be required to pay any tax shortfall as part of the income tax year-end process. If the rate applied to your PIE income is higher than your PIR, any tax over-withheld will be used to reduce any income tax liability you may have for the tax year and any remaining amount will be refunded to you.

See the “Other Material Information” document on the offer register at www.lifestages.co.nz for more information about tax.

7. Who is involved?**About Funds Administration
New Zealand Limited**

FANZ is the manager of the Scheme. We are a wholly owned subsidiary of Southland Building Society (“SBS Bank”).

Our registered office is:
c/- SBS Bank, 51 Don Street, Invercargill
We can be contacted by:

Email to contact@lifestages.co.nz
Online at www.lifestages.co.nz
Calling 0800 727 2265
Writing to PO Box 835, Invercargill 9810
Visiting your local branch of SBS Bank

Who else is involved?

Name	Role
Supervisor	Trustees Executors Limited
Custodian	Trustees Executors Limited
Administration Manager	Trustees Executors Limited

Responsible for supervising the performance of our duties and ensuring the Funds’ assets are appropriately held

Holds the assets of the Funds on trust for investors

Provides unit pricing and registry services

8. How to complain

Any complaints about the Scheme should be directed to the 'Executive Director of the Manager' at:

The Executive Director

FANZ Private Wealth
PO Box 5038, Papanui, Christchurch 8542
Phone: **(03) 963 4916**
Email: **fanzcomplaints@sbsbank.co.nz**

You can also complain to the supervisor at:

Trustees Executors Limited

- Email to **cts@trustees.co.nz**
- Online at **www.trustees.co.nz**
- Calling **0800 878 783**
- Writing to The Client Manager
Corporate Trustee Services
Trustees Executors Limited
PO Box 4197, Auckland 1140

If an issue cannot be resolved with the Manager you can also contact the approved independent dispute resolution scheme for the Manager at:

Banking Ombudsman Scheme

Freepost 218002
PO Box 25327
Wellington 6146
Phone: **0800 805 950**
Email: **help@bankomb.org.nz**

If the Supervisor hasn't been able to resolve your complaint in a way that you think is satisfactory, you can also contact the approved independent dispute resolution scheme for the Supervisor at:

Financial Services Complaints Ltd

PO Box 5967
Wellington 6140
Phone: **0800 347 257**
Email: **complaints@fscl.org.nz**

Neither of the above schemes will charge a fee to any complainant to investigate or resolve a complaint.

9. Where you can find more information

Further information relating to the Scheme, including financial statements, annual reports, quarterly fund updates, and the Trust Deed and SIPO for the Scheme is available on the offer registers and the scheme registers at **www.disclose-register.companiesoffice.govt.nz**.

A copy of any information on the offer register and the scheme register is available on request to the Registrar. You may also obtain a copy of any of the documents on the offer register or scheme register and certain other scheme information on written request to FANZ (for contact details, see section 7 "Who is involved?").

The fund updates and unit price history can be found on **www.lifestages.co.nz** or obtained on written request from FANZ.

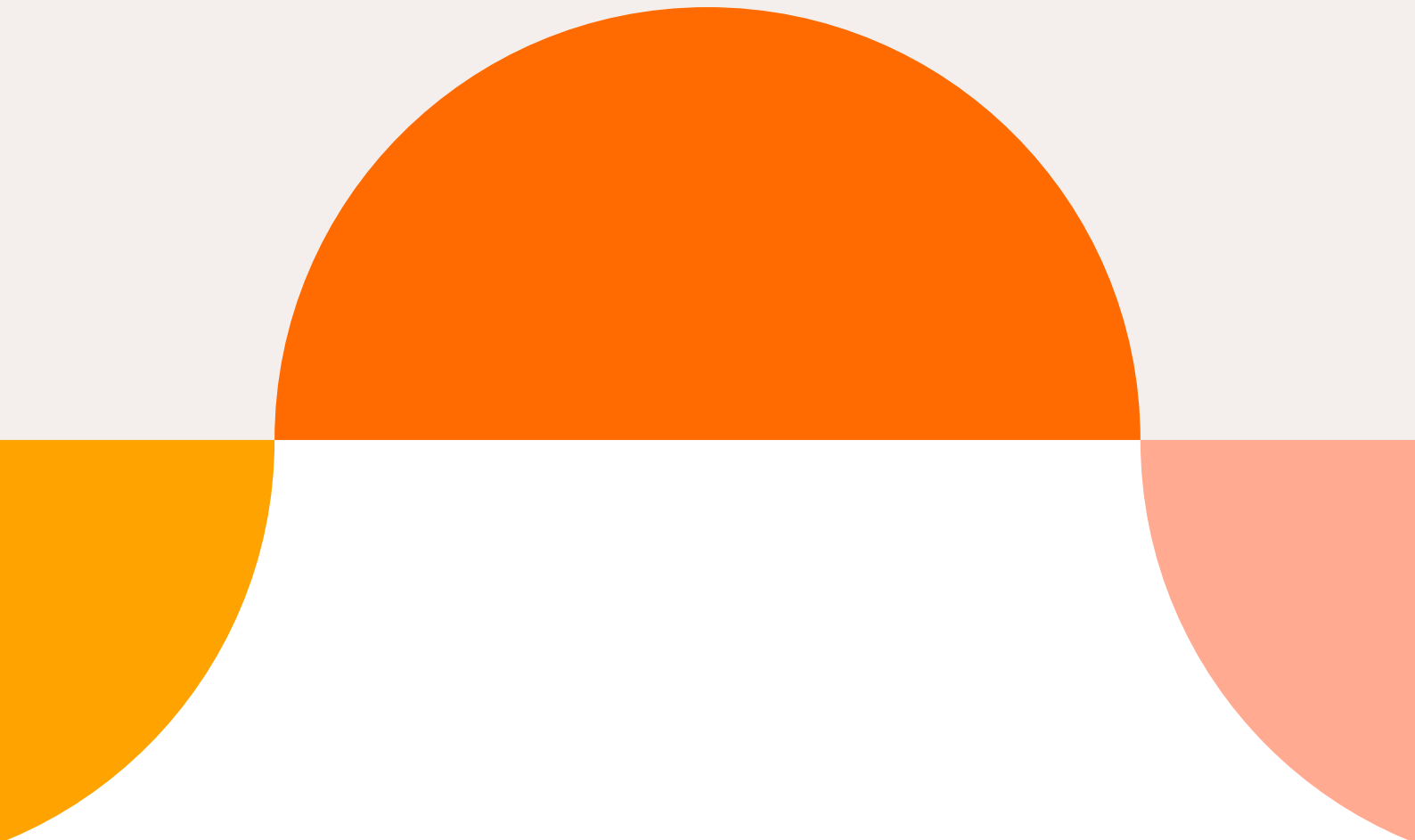
You will also be sent an annual tax statement, which will include the amount of PIE income allocated to you and the amount of tax paid at your chosen PIR.

Our team of financial advisers can also help you find information relating to the Scheme and explain it to you. You can get in touch with one at **www.lifestages.co.nz/contact-us** or by calling 0800 727 2265.

You will not be charged any fee to access this information.

10. How to apply

Joining the Scheme is easy and can be done online if you are over 18 at **www.lifestages.co.nz** with only a New Zealand drivers licence or New Zealand passport. Alternatively, you can complete the application form, available from your local SBS branch or from an approved distribution partner.



The Lifestages KiwiSaver Scheme is brought to you by
Funds Administration New Zealand Limited (FANZ)