

# Investment Update

Lifestages KiwiSaver Scheme

Lifestages Auto Option age 65+\*

for the quarter ended 31 December 2023

This investment update was first made publicly available 13 February 2024

## What is the purpose of this update?

This document tells you how the Lifestages Auto Option age 65+ has performed and what fees were charged. The document will help you to compare the investment option with other investment options and funds. Funds Administration New Zealand Limited prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

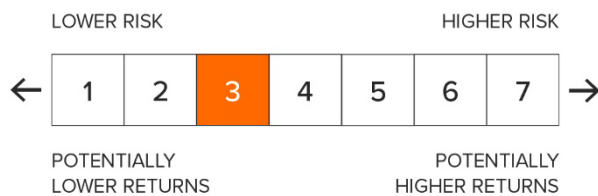
## Description of this fund

This life cycle investment stage invests 30% in the Lifestages High Growth Fund and 70% in the Lifestages Income Fund, which is regarded as providing appropriate levels of risk and return for a person aged 65+.

<b>Total value of the investment option</b>	\$8,097,448
<b>Number of members in the investment option</b>	243
<b>The date the fund started</b>	14 October 2015

## What are the risks of investing?

Risk indicator for the Lifestages Auto Option age 65+:



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 [www.sorted.org.nz/tools/investor-profiler](http://www.sorted.org.nz/tools/investor-profiler).

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 an investment option's future performance. The risk indicator is based on the returns data for the past 5 years. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future investment updates.

See the product disclosure statement (PDS) for more information about the risks associated with investing in this investment option.

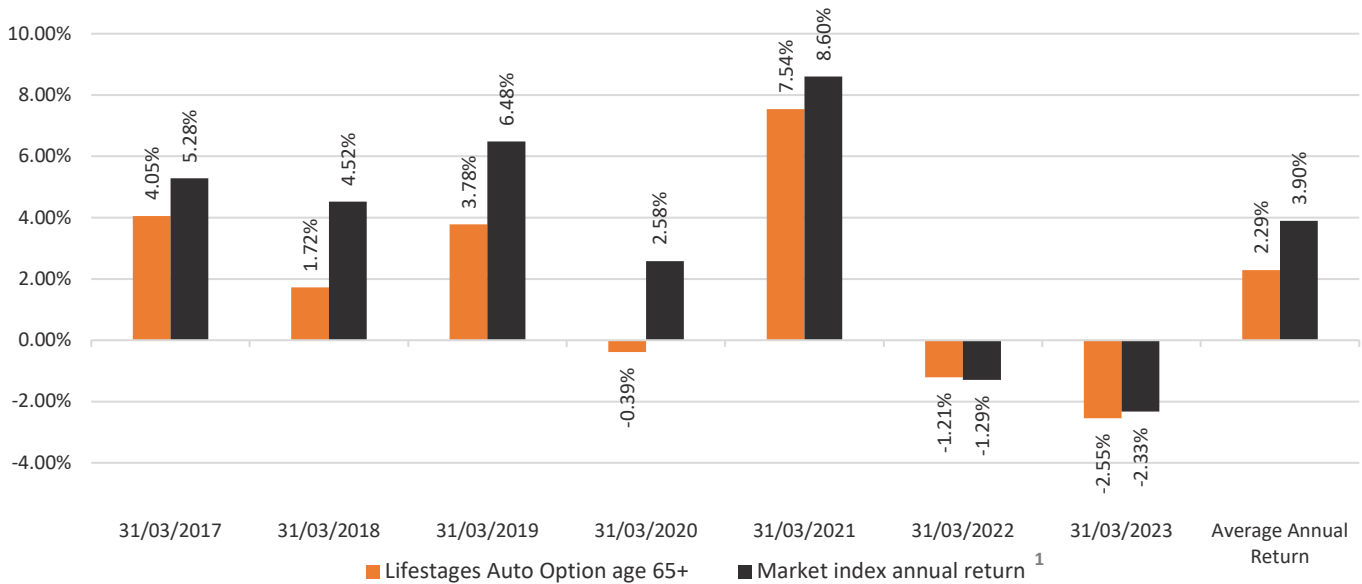
## How has the investment option performed?

	Average over past five years	Past year
<b>Annual return</b> <small>(after deductions for charges and tax)</small>	2.30%	8.34%
<b>Annual return</b> <small>(after deductions for charges but before tax)</small>	3.15%	9.65%
<b>Market index annual return</b> <small>(reflects no deductions for charges and tax)</small>	3.48%	9.60%

The market index annual return is based on a composite index, calculated using the target investment mix weightings of the underlying market indices that the investment option invests into. The benchmark indices used for each asset class are defined in the Statement of Investment Policy and Objectives (SIPO).

Additional information about the market index is available in the SIPO on the offer register (search for Lifestages KiwiSaver) at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz).

## Annual Return Graph



This shows the return after fund charges and tax for each year ending 31 March since the investment option started. The last bar shows the average annual return since the investment option started, up to 31 December 2023.

**Important:** This does not tell you how the investment option 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.

## What fees are investors charged?\*

Investors in the Lifestages Auto Option age 65+ are charged fund charges. In the year to 31 March 2023 these were:

	% of net asset value
<b>Total fund charges (estimated)</b>	<b>0.89%</b>
<b>Which are made up of -</b>	
<b>Total management and administration charges</b>	<b>0.89%</b>
Including -	
Manager's basic fee	0.59%
Other management and administration charges <sup>2</sup>	0.30%
<b>Total performance-based fees</b>	<b>0.00%</b>
<b>Other Charges</b>	
	Dollar amount per investor
<b>Member fee</b>	<b>\$16.00</b>

The percentage shown for the 'Other management and administration charges' includes an estimate of the fees and expenses incurred in the underlying funds in which the investment option invests.

Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). See the 'Other Material Information' document for the Lifestages KiwiSaver Scheme on the offer register ([www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz)) for more information about those fees.

Small differences in fees and charges can have a big impact on your investment over the long term.

\* From 1 December 2022, the \$24 annual Member fee was removed. The member fee of \$16 represents the charge from 1 April 2022 - 30 November 2022. The total fund charges are expected to be 0.95% per annum in the year to 31 March 2024.

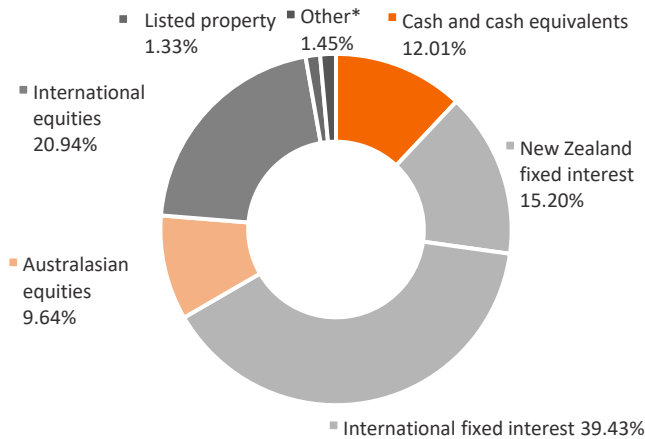
## Example of how this applies to an investor

Hayley had \$10,000 in the investment option at the start of the year and did not make any further contributions. At the end of the year, Hayley received a return after fund charges were deducted of \$965 (that is 9.65% of her initial \$10,000). Hayley also paid \$4.00 in other charges. This gives Hayley a total return after tax of \$829.78 for the year.

### What does the investment option invest in? <sup>3</sup>

This shows the types of assets that the investment option invests in.

#### Actual investment mix



#### Target investment mix

Asset type	Allocation
Cash and cash equivalents	11.04%
New Zealand fixed interest	16.33%
International fixed interest	40.09%
Australasian equities	9.09%
International equities	20.77%
Listed property	1.18%
Other*	1.50%

#### Top 10 investments

Name	Percentage of fund net assets	Type	Country	Credit rating (if applicable)
1 iShares Global Aggregate Bond ESG UCITS ETF NZD Hedged	15.07%	International fixed interest	IE	
2 Harbour NZ Core Fixed Interest Fund	14.47%	New Zealand fixed interest	NZ	
3 Dimensional Global Bond Sustainability Trust – NZD Class Units	12.73%	International fixed interest	AU	
4 Dimensional Global Sustainability PIE Fund (NZD Hedged)	10.58%	International equities	NZ	
5 Dimensional Five-Year Diversified Fixed Interest Trust - NZD Class	7.12%	International fixed interest	AU	
6 Dimensional Two-Year Sustainability Fixed Interest Trust – NZD Class Units	5.17%	International fixed interest	AU	
7 Cash Deposit (ANZ Bank)	2.43%	Cash and cash equivalents	NZ	
8 Schroder Emerging Markets Sustainable Fund - Wholesale Class	1.50%	International equities	AU	
9 Kernel Global Infrastructure (NZD Hedged) Fund	1.50%	Other*	NZ	
10 Dimensional Australian Sustainability PIE Fund	1.49%	Australasian equities	AU	

The top 10 investments make up 72.06% of the net asset value of the investment option.

\*Other includes infrastructure assets.

#### Currency hedging

As at 31 December 2023 the investment option has an exposure to foreign currency assets of 63.98%, of which 52.17% was hedged back to NZD. This means the investment option's foreign currency exposure is 11.81%. More information on our currency hedging policy can be found in the SIPO on our website [www.lifestages.co.nz/kiwisaver/lifestages-kiwisaver-scheme](http://www.lifestages.co.nz/kiwisaver/lifestages-kiwisaver-scheme).

## Key personnel

This shows the directors and employees who have the most influence on the investment decisions of the investment option.

Name	Current position	Time in current position	Previous or other position	Time in previous or other position
Phil Ellison	Non-executive Director / Investment Committee member	1 years and 5 months	Founder and CEO, Finance Now Ltd	22 years and 1 months
Martin Pike	Head of Investments	8 years and 3 months	National Manager, Investment Product & Services, AMP Financial Services	2 years and 4 months
Morne Redgard	Chief Executive Officer, Funds Administration New Zealand	0 years and 7 months	Chief Customer Officer, Kiwi Wealth Ltd	1 years and 8 months
Mike Skilling	Non-executive Director / Investment Committee chairperson	7 years and 7 months	GM Business Financial Services & Private Banking, BNZ	8 years and 0 months
Derek Young	Chief Operating Officer	0 years and 5 months	Executive Director, Funds Administration New Zealand Ltd	19 years and 1 months

## Further information

You can also obtain this information, the PDS for Lifestages Auto Option age 65+, and some additional information from the offer register at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz).

## Notes

- 1 Note that market indices reflect no deduction for charges and tax.
  - 2 This covers expenses incurred in running the fund (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. GST will be included in some expenses, where applicable. Our estimates are made on the basis of reasonable assumptions about the ongoing level of fees and costs expected to be charged (taking into account the actual fees and costs as a percentage of average net asset value that were charged for the most recent scheme year). These fees are deducted from, and reflected in the unit price of the fund.
  - 3 The investment option invests 30% in the Lifestages High Growth Fund and 70% in the Lifestages Income Fund. The actual investment mix, target investment mix, top 10 investments and currency hedging all reflect the assets invested proportionally in these Lifestages Funds.
- \* The asset allocation of this investment option, and thus the fund description, changed in December 2022.

### Contact information

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