



lifestages 

Lifestages KiwiSaver Scheme

ANNUAL REPORT 2017



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

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Welcome

Welcome to the Lifestages KiwiSaver Scheme Annual Report for the year ended 31 March 2017.

This document is different to previous annual reports, notably it does not include the audited financial accounts for the Scheme. The Scheme became registered as a managed investment scheme under the Financial Markets Conduct Act 2013 in November 2016 and is now governed by that Act and its Regulations. More details about this are in the section “Changes relating to the scheme” on page 5.

The Scheme has grown appreciably over the last financial year, up 20% to over \$260m funds under management. More details on member movements, and the persons involved in the Scheme are included in this report.

Investors reviewing the last year will have noted that if one were to judge performance by the media reports or the “narrative” that existed in many forums that performance would have been muted or even worse. Perhaps the most intriguing aspect was the reaction of investment markets (especially in the United States) to the election of President Trump in November 2016. Say what you will about various aspects of President Trump’s behavior and or personality, but the markets have “spoken”. Their verdict has been positive. This has been against the back-drop of an improving United States economy with rising employment numbers, strong earnings growth, and a narrative by the Republicans that the United States is

open for business. This was in contrast to the performance of the United States Index which, in 2015, had its worst year since 2008.

We called last year a year of contrasts. This year was no exception, but for more positive reasons. Any year where growth assets produce a double-digit performance is a year to savour. It is years like 2016-17 that provide us renewed confidence in ‘how we do what we do’. The approach we take to investing your savings is a carefully considered one. Our methods are based around the three ‘d’s’ – discipline, diligence, and diversification. These are the basics that typically negate the short-term market ups and downs, while generating strong returns over time.

More information on the Scheme, like performance of the funds within the Scheme and financial statements, can be found by referring to the “How to find further information” section on page 8 of this report.

I thank you for your continued support over these past 12 months, and look forward to strengthening our relationship over the years ahead.

GRAHAM DUSTON

*Funds Administration New Zealand Limited,
Manager of the Lifestages KiwiSaver Scheme*

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Address: Level 1, SBS, 2-6 Main North Road
Papanui, Christchurch 8542
Postal: PO Box 5038, Papanui, Christchurch

Contact us at contact@lifestages.co.nz

A copy of the full financial statements for the Lifestages KiwiSaver Scheme can be obtained from www.lifestages.co.nz, or by contacting the Manager, freephone 0800 727 2265.

Details of scheme

Funds Administration New Zealand Limited (the 'Manager', 'us', 'we') as manager of the Lifestages KiwiSaver Scheme (the 'Scheme') presents this Annual Report to the members of the Scheme for the year ended 31 March 2017 ('Year').

The supervisor of the Scheme is Trustees Executors Limited ('Supervisor').

The Scheme is a registered KiwiSaver scheme with a Product Disclosure Statement (PDS) dated 15 November 2016 and is open for applications. The latest fund updates for the quarter ended 30 June 2017 for each fund were made publicly available on 28 July 2017. The latest financial statements and auditor's report for the Scheme that have been lodged with the Registrar are for the year ended 31 March 2017.

Information on contributions and scheme participants

Membership

The table below provides a summary of the numerical changes in the membership of the Scheme during the Year.

	TOTAL NUMBER OF MEMBERS	MEMBERS' ACCUMULATION \$
Contributing members as at 1 April 2016	11,095	
Non-contributing members as at 1 April 2016	5,128	
Total membership as at 1 April 2016	16,223	217,385,330
<i>New Scheme members during the Year by reason of:</i>		
Transfers from other schemes	1,486	
Other new members	644	
Total new members during the Year	2,130	
<i>Persons who ceased to be members during the Year by reason of:</i>		
Retirement	257	
Death	23	
Transfers to other schemes	918	
Other reasons	27	
Total number who ceased to be members during the Year	1,225	
Total membership as at 31 March 2017	17,128	262,641,448
<i>Comprising of:</i>		
Contributing members as at 31 March 2017	10,908	
Non-contributing members as at 31 March 2017	6,220	

Contributions

The table below provides a summary of the contributions received during the Year.

	TOTAL NUMBER OF MEMBERS	CONTRIBUTIONS \$
Member contributions	10,773	18,418,007
Employer or other sponsor contributions	10,560	11,027,777
Member voluntary additional contributions	3,062	4,107,610
Total		33,553,394

Changes relating to the scheme

This section provides information on the material changes which occurred to the Scheme during the Year:

Governing document

The trust deed was amended on 1 November 2016 to reflect the requirements of the Financial Markets Conduct Act 2013 ('FMCA') and the Financial Markets Conduct Regulations 2014 in order to allow the Scheme to become registered as a managed investment scheme under the FMCA and to make a number of other amendments that the Supervisor and the Manager considered appropriate in connection with the Scheme becoming registered as a managed investment scheme under the FMCA.

Terms of the offer

The FMCA came into force on 1 December 2014 and fundamentally changed the laws that regulate the governance and offering of KiwiSaver schemes.

The Lifestages KiwiSaver Scheme is a Managed Investment Scheme ('MIS') for the purposes of the FMCA and was registered under the FMCA on 16 November 2016 following the Manager's receipt of its MIS licence on 1 October 2016.

The transition to the FMCA did not materially change the terms of the offer of interests in the Scheme, but the Scheme's former investment statement and prospectus were replaced with a single PDS. In addition, FANZ must publish a statement of investment policy and objectives ('SIPO'), quarterly fund updates and other relevant information about the Scheme under the FMCA.

Statement of Investment Policies and Objectives

The SIPO was updated as of 30 November 2016 to bring it into line with the FMCA. A copy of the latest SIPO can be obtained from the schemes register (search for Lifestages KiwiSaver Scheme) at www.companiesoffice.govt.nz/disclose.

Related party transactions

All related party transactions entered into during the Year were on arms-length terms.

Other information for particular types of managed funds

Withdrawals

During the Year, the following withdrawals were made from the Scheme:

	TOTAL NUMBER OF MEMBERS
<i>Withdrawals during the Year by reasons of:</i>	
Reaching qualifying date	419
First home withdrawal ¹	139
Death	23
Significant financial hardship	64
Serious illness	16
Permanent emigration	8
Transfers of members' accumulations out of the Scheme into other superannuation schemes (or KiwiSaver Schemes)	918
Other withdrawals	10

¹ Includes second chance home withdrawals.

Unit Prices

	UNIT PRICE (\$) AT 31 MARCH 2017	UNIT PRICE (\$) AT 1 APRIL 2016
Lifestages Capital Stable Portfolio	2.803862	2.689859
Lifestages Growth Portfolio	1.495916	1.373591
Lifestages Income Fund	1.048459	1.023796
Lifestages High Growth Fund	1.124371	0.998634

Manager's Statement

Funds Administration New Zealand Limited as manager of the Scheme confirms that:

- a. all the benefits required to be paid from the Scheme in accordance with the terms of the governing document and the KiwiSaver scheme rules have been paid; and
- b. the market value of the Scheme property at 31 March 2017 equalled or exceeded the total value of benefits that would have been payable had all members of the Scheme ceased to be members at that date and had provision been made for the continued payment of all benefits being paid to members and other beneficiaries as at 31 March 2017.

Changes to persons involved in the scheme

The Manager

There has been no change to the Manager since 1 April 2016. Funds Administration New Zealand Limited was the Manager of the Scheme throughout the Year.

Directors of the Manager

The directors of the Manager as at 31 March 2017 were:

- > DUSTON, Graham David
- > MULVEY, Gregory John
- > SKILLING, Michael James
- > WALKER, Jeffrey Bernard
- > YOUNG, Derek Richmond

The following changes to the directors of the manager of the Scheme took place during the Year:

- > Michael Skilling was appointed as a director of the Manager on 24 May 2016.

In addition, Jeffrey Bernard Walker ceased being a director of the Manager on 30 June 2017.

Key personnel of the manager

There were no changes to the key personnel of the Manager during the Year.

The Supervisor

There was no change to the Supervisor during the Year. Trustees Executors Limited was the Supervisor of the Scheme throughout the Year.

The following changes to the directors of the Supervisor of the Scheme took place during the Year:

- > Peter Andrew Metz ceased being a director of the Supervisor on 6 May 2016.
- > Paul Raymond Shelley Hocking ceased being a director of the Supervisor on 7 December 2016.

In addition Andrew Eason Scott-Howman was appointed as a director of the Supervisor on 24 April 2017, and Franceska Eve Banga was appointed as a director of the Supervisor on 18 July 2017.

Administration manager

There was no change in the administration management during the Year, with the administration management functions of the Scheme divided between us and Trustees Executors Limited.

Investment manager

We have performed all of the investment management functions for the Scheme during the Year, and have not appointed a separate investment manager to engage the underlying fund managers.

Securities registrar

There was no change to the securities registrar during the Year. Trustees Executors Limited was the securities registrar of the Scheme throughout the Year.

Custodian

There was no change to the custodian during the Year. Trustees Executors Limited was the custodian of the Scheme throughout the Year.

Auditor

There was no change to the auditor during the Year. KPMG was the auditor of the Scheme throughout the Year.

How to find further information

The Scheme's trust deed, SIPO and financial statements are available on the schemes register at www.companiesoffice.govt.nz/disclose (search for Lifestages KiwiSaver Scheme).

The current PDS, fund updates, other material information and material contracts for the Scheme are available on the offer register at www.companiesoffice.govt.nz/disclose (search for Lifestages KiwiSaver Scheme).

The above and additional information relating to the Scheme is available free of charge on both the offer and scheme registers at www.companiesoffice.govt.nz/disclose and the Lifestages website, as follows:

INFORMATION	HOW TO OBTAIN		
	www.lifestages.co.nz	www.companiesoffice.govt.nz/disclose Offer Register	www.companiesoffice.govt.nz/disclose Scheme Register
Unit prices	✓		
Fund performance	✓	✓	
PDS's	✓	✓	
Fund updates	✓	✓	
SIPO		✓	✓
Trust Deed		✓	✓
Financial Statements	✓		✓

In addition, general information about the Scheme, the funds within the Scheme, and the Manager can be found on the Lifestages website (www.lifestages.co.nz). You can also contact us by email at contact@lifestages.co.nz to request any of the above information free of charge.

Contact details and complaints

Contact details

All enquiries should initially be directed to the manager.

Manager

The Manager

Executive Director
Funds Administration New Zealand Limited
51 Don Street

PO Box 835, Invercargill 9810

Phone: **0800 727 2265**

Email: contact@lifestages.co.nz

Supervisor

The Manager

Governance & Investor Oversight
Trustees Executors Limited

Level 7
51 Shortland Street
Auckland 1010

Phone: **09 308 7100**

Email: enquiry@trustees.co.nz

Securities Registrar

Trustees Executors Limited

Level 5, Maritime Towers
10 Customhouse Quay

PO Box 10519, Wellington

Phone: **0800 809 962**

Complaints

Any complaints about the Scheme should be directed to the 'Executive Director of the Manager' using the contact details on this page.

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

The Office of the Banking Ombudsman

Freepost 218002
PO Box 25327, Featherston Street
Wellington 6146

Phone: **0800 805 950**

Email: help@bankomb.org.nz

You can also contact the approved independent dispute resolution scheme for the Supervisor at:

Financial Services Complaints Ltd

PO Box 5967
Wellington 6145

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.



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