



Your long term investment journey



Offer of units in the Lifestages Investment Funds Product Disclosure Statement

As at 16 April 2021

This is a replacement product disclosure statement (“PDS”) for the PDS dated 11 December 2017

Issued by Funds Administration
New Zealand Limited (“FANZ”)

1. Key information summary

What is this?

Each of the Lifestages Investment Funds offered under this Product Disclosure Statement (“PDS”) 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”) 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?

There are four investment options offered under this PDS. Each option is a separate managed investment scheme. They are each referred to as a “Fund” and collectively as “Funds” or “Lifestages Investment Funds”.

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 Corporate Bond Portfolio	The Fund aims to provide a core and low risk exposure to New Zealand fixed interest debt securities through investments consisting of a broad spread of government and non-government securities primarily of investment grade quality.	LOWER RISK HIGHER RISK ◀ 1 2 3 4 5 6 7 ▶ POTENTIALLY LOWER RETURNS POTENTIALLY HIGHER RETURNS	1.52% of net asset value
Lifestages World Bond Portfolio	The Fund aims to provide investors with a broadly diversified portfolio of international investment grade income securities. The Fund offers a multi-manager approach to fixed interest investing.	LOWER RISK HIGHER RISK ◀ 1 2 3 4 5 6 7 ▶ POTENTIALLY LOWER RETURNS POTENTIALLY HIGHER RETURNS	1.65% of net asset value
Lifestages Australasian Equity Portfolio	The Fund aims to achieve capital growth and returns over the long-term through investing primarily in a broad spread of New Zealand and Australian equities. The Fund offers a multi-manager approach to equity investing.	LOWER RISK HIGHER RISK ◀ 1 2 3 4 5 6 7 ▶ POTENTIALLY LOWER RETURNS POTENTIALLY HIGHER RETURNS	1.78% of net asset value
Lifestages World Equity Portfolio	The Fund aims to achieve capital growth and returns over the long-term through investment primarily in a broad spread of international equities. The Fund offers a multi-manager approach to equity investing.	LOWER RISK HIGHER RISK ◀ 1 2 3 4 5 6 7 ▶ POTENTIALLY LOWER RETURNS POTENTIALLY HIGHER RETURNS	1.84% of net asset value

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 www.lifestages.co.nz/tools/whats-your-investment-profile-risk-profile-questionnaire/.

Who manages the Lifestages Investment Funds?

The manager of the Funds is Funds Administration New Zealand Limited.
See section 7, “Who is involved?” for more information.

How can you get your money out?

Your investment in the Funds is redeemable. You may at any time request the redemption of some or all of your investment. For each Fund, payment will normally be made within 10 business days of FANZ receiving a redemption request from you.

For partial withdrawals, the minimum withdrawal amount is \$100 and your remaining unit holding in the relevant Fund must not fall below \$500.

In certain circumstances, we can suspend withdrawals from a Fund for up to three months (or for longer than three months with the Supervisor’s agreement).

See section 2 “How does this investment work?” for more information.

Your investment in these units in the Funds can be sold but there is no established market for trading these financial products. This means that you may not be able to find a buyer for your investment.

How will your investment be taxed?

Each Fund offered under this PDS 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”). To determine your PIR go to www.ird.govt.nz/roles/portfolio-investment-entities/find-my-prescribed-investor-rate. See section 6 of the PDS (“what taxes will you pay?”) on page 10 for more information.

Where can you find more key information?

FANZ is required to publish quarterly updates for each Fund. 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/lifestages-investment-funds/investment-fund-document-library/. 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)	6
4. What are the risks of investing?	8
5. What are the fees?	9
6. What taxes will you pay?	10
7. Who is involved?	11
8. How to complain	11
9. Where you can find more information	12
10. How to apply	12

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?

This PDS contains an offer of units in the Lifestages Corporate Bond Portfolio, Lifestages World Bond Portfolio, Lifestages Australasian Equity Portfolio and the Lifestages World Equity Portfolio (together, “Funds”). Each of the Funds is a managed investment scheme that is governed by a consolidated master trust deed and establishment deed dated 1 November 2016.

The money you invest buys units in the Fund or Funds you choose. Each Fund invests in assets, such as shares, predominantly through underlying investment funds. The units do not give you legal ownership of the Fund’s assets but they do give you rights to the returns from the assets.

When you invest in a Fund, your money is pooled together with other investors’ money. We use this pool to buy investments for the Fund. 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. It also means your money is managed and overseen by an experienced team of investment professionals.

Units in the relevant Fund(s) are issued to reflect your contributions. 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 Funds are separately accounted for and the assets of one Fund are not available to meet the liabilities of another.

The Funds offered under this PDS do not make distributions. Accordingly, any income of the Funds is reflected in their unit price. The return on your investment comes from any increase or decrease in the unit price.

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.

Investment Expertise: Our experienced investment team selects a range of well researched specialist investment management firms and/or 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.

Making investments

The Funds are currently closed to new investors. If you are an existing investor, you can make additional investments in any of the Funds by contacting us or via an approved custodial administration service. Where you are investing through the custodial administration service, you will need to make payment to the provider of that service by following the process it has.

You can invest in the Funds by lump sum and regular investments. Investments of any amount can usually be made, provided the initial investment is at least \$500, additional lump sum investments are at least \$500 and regular investments are at least \$100 per month. Units in the relevant Fund are allocated to reflect an investment received at the next unit price.

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

Withdrawing your investments

You can usually withdraw part or all of your investment at any time.

Where investments are made through a custodial administration service you will need to request a withdrawal by following the process the provider of that service has. They will be able to provide you with details.

Where investments are made through FANZ you will need to complete the withdrawal form and return it to FANZ. See section 7 “Who is involved” for details.

Withdrawals are processed on a daily basis. The Funds are valued, and the proceeds are then credited to your nominated account.

When you redeem all or part of your investment from a Fund, we will redeem your investment at the next unit price for that Fund adjusted for any applicable PIE tax on income allocated to redeemed units.

The minimum partial withdrawal is \$100, provided your remaining unit holding in the relevant Fund does not fall below \$500. A full withdrawal is required if a partial withdrawal would reduce the value of your remaining unit holding in the relevant Fund below \$500.

We can suspend withdrawals from a Fund for up to three months if, because of one of the factors set out in the Trust Deed (including financial, political, or economic conditions applying in any financial market, or a withdrawal request for more than 10% of the units in a Fund being received) it would be materially prejudicial to the interests of investors in that Fund to permit withdrawals. Withdrawals could be suspended for longer than three months with the Supervisor's agreement. There is no limit on the extension of time that the Supervisor could agree to.

How to switch between Funds

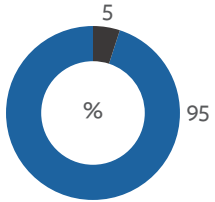
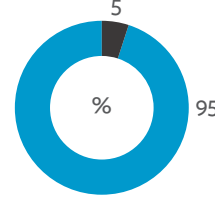
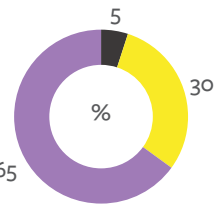
You can, subject to certain conditions, switch future contributions, or some or all of your existing investment, to another Fund. Currently there is no fee to switch between Funds or any limit to how many times you can switch, although this could change.

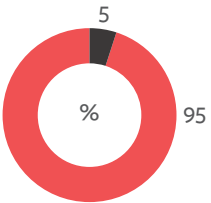
You can do this at your SBS Bank branch or by using the switch form on our website. We strongly suggest you take the time to speak to a FANZ financial adviser before switching.

A switch will be treated as a redemption from one Fund or Funds and an application for units in the other Fund or Funds. This will therefore trigger tax implications.

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 Corporate Bond Portfolio	<p>Objective: To provide a gross return above the return of the S&P/NZX A Grade Corporate Bond Index on a rolling three-year basis.</p> <p>Strategy: The Fund aims to capture the yield premium attached to New Zealand dollar denominated government stock, corporate bonds and other non-Government fixed or floating rate securities.</p>	 <p>5% 95%</p> <ul style="list-style-type: none"> New Zealand cash New Zealand fixed interest 	<p>LOWER RISK HIGHER RISK</p> <p>1 2 3 4 5 6 7 ▶</p> <p>POTENTIALLY LOWER RETURNS POTENTIALLY HIGHER RETURNS</p>	3 years
Lifestages World Bond Portfolio	<p>Objective: To provide a gross return in line with or greater than the composite of the Bloomberg Barclays Global Aggregate Index fully hedged to the New Zealand dollar and the NZ Cash Index, over a rolling three-year basis.</p> <p>Strategy: The Fund aims to provide investors with a broadly diversified portfolio of global fixed interest securities through investment in international investment grade income securities.</p>	 <p>5% 95%</p> <ul style="list-style-type: none"> New Zealand cash International fixed interest 	<p>LOWER RISK HIGHER RISK</p> <p>◀ 1 2 3 4 5 6 7 ▶</p> <p>POTENTIALLY LOWER RETURNS POTENTIALLY HIGHER RETURNS</p>	3 years
Lifestages Australasian Equity Portfolio	<p>Objective: To provide a gross return above the return of the composite NZ Equity, Australian Equity and NZ Cash Indices with net dividends reinvested on a rolling three-year basis</p> <p>Strategy: The Fund aims to achieve capital growth and returns over the long-term through investment in New Zealand and Australian equities. The Fund invests in large cap New Zealand and Australian equities and is designed to provide investors with core holdings of equities in these markets.</p>	 <p>5% 30% 65%</p> <ul style="list-style-type: none"> New Zealand cash Australian equities New Zealand equities 	<p>LOWER RISK HIGHER RISK</p> <p>◀ 1 2 3 4 5 6 7 ▶</p> <p>POTENTIALLY LOWER RETURNS POTENTIALLY HIGHER RETURNS</p>	5 years

Fund name	Summary of investment objectives and investment strategies	Target investment mix	Risk indicator	Recommended minimum investment timeframe
Lifestages World Equity Portfolio	<p>Objective: To provide a gross return above the return of the composite International Equity and NZ Cash Indices on a rolling three-year basis.</p> <p>Strategy: The Fund aims to achieve capital growth and returns over the long-term through investment in international equities. The Fund provides access for investors to a portfolio of large cap stocks with a portion of the portfolio hedged back to the New Zealand dollar.</p>	 <p>5 95 %</p> <p>■ New Zealand cash ■ International equities</p>	<p>LOWER RISK HIGHER RISK</p> <p>◀ 1 2 3 4 5 6 7 ▶</p> <p>POTENTIALLY LOWER RETURNS POTENTIALLY HIGHER RETURNS</p>	5 years

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 investors 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/lifestages-investment-funds/overview/.

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 filled-in risk indicator for each Fund 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 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 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 31 March 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 these Funds.

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, 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

We are not aware of any circumstances that exist or are likely to arise that significantly increase the risk of returns for investors, other than circumstances already reflected in the risk indicator.

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

5. What are the fees?

You will be charged fees for investing in the Lifestages Investment Funds. 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;
- > 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)
Lifestages Corporate Bond Portfolio	0.86%	0.66%	1.52%
Lifestages World Bond Portfolio	0.86%	0.79%	1.65%
Lifestages Australasian Equity Portfolio	1.27%	0.51%	1.78%
Lifestages World Equity Portfolio	1.27%	0.57%	1.84%

* Annual administration charges include estimates of underlying fund charges ranging from 0.10% to 0.54%.

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: We charge an annual management fee to each fund as set out above. GST is currently charged at 15% on 10% of the management fee in accordance with the non-binding IRD agreement with the Financial Services Council of New Zealand Incorporated on behalf of the funds management industry. This percentage may change in the future.

Administration charges: These charges cover the general management of the Funds e.g. supervisor, legal, custodian and audit fees.

They also cover an estimate of the fund charges of the underlying funds as these are not managed by a related party of us, so we are unable to definitively quantify those charges in advance. We do not expect any difference between our estimate and the actual charges to be material. Actual charges over the Funds' most recently completed financial year are available in the latest fund update for each Fund.

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 Funds' most recently completed financial year).

Other charges: There are currently no other fees or costs charged by any person in respect of the Funds. However, note that if you invest through a custodial administration service, that service may charge fees in respect of the service (distinct from the fees paid in respect of the Funds).

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 investors 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	Estimated total fees for the first year	
Kate invests \$10,000 in the Lifestages World Equity Portfolio. She is charged management and administration fees, which work out to be about \$184 (1.84% of \$10,000). These fees might be more or less if the value of her investment has increased or decreased over the year.	Individual action fees:	\$0
	Fund charges:	\$184
	Other charges:	\$0

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.

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?

Each Fund 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. 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.disclose-register.companiesoffice.govt.nz for more information about tax.

7. Who is involved?

About Funds Administration New Zealand Limited

FANZ is the manager of the Funds. 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	Responsible for supervising the performance of our duties and ensuring the Funds’ assets are appropriately held
Custodian	Trustees Executors Limited	Holds the assets of the Funds on trust for investors
Administration Manager	Trustees Executors Limited	Provides unit pricing and registry services

8. How to complain

Any complaints about the investment options may be referred to the Manager via the contact details provided under section 7 “Who is involved?”

You can also complain to the Supervisor at:

Trustees Executors Limited

- > Email to **cts@trustees.co.nz**
- > Online at **www.trustees.co.nz**
- > Calling 09 308 7100
- > Writing to The Manager
Corporate Trustee Services
Trustees Executors Limited
PO Box 10519, Wellington 6143
- > Visiting Level 9, Spark Central
45-52 Willis Street
Wellington 6011

Financial Services Complaints Limited

The Supervisor is also a member of an independent dispute resolution scheme operated by Financial Services Complaints Limited (“FSCL”). If the Supervisor hasn’t been able to resolve your complaint in a way that you think is satisfactory, you can contact FSCL by:

- > Email to **complaints@fscl.org.nz**
- > Online at **www.fscl.org.nz**
- > Calling 0800 347 257

- > Writing to Financial Services Complaints
Limited
PO Box 5967,
Wellington 6140
- > Visiting Level 4, 101 Lambton Quay
Wellington 6011

FSCL will not charge a fee to you to investigate or resolve a complaint.

The Banking Ombudsman

We are a member of the independent dispute resolution scheme run by the Banking Ombudsman. You can contact the Banking Ombudsman by:

- > Email to **help@bankomb.org.nz**
- > Online at **www.bankomb.org.nz**
- > Calling 0800 805 950
- > Writing to Banking Ombudsman
Freepost 218002
PO Box 25327,
Wellington 6146
- > Visiting Level 5, Huddart Parker Building
1 Post Office Square
Wellington 6011

The Banking Ombudsman will not charge a fee to you to investigate or resolve a complaint.

9. Where you can find more information

Further information relating to the Funds, including financial statements, annual reports, quarterly fund updates, and the Trust Deed and SIPO for the Funds 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/lifestages-investment-funds/investment-fund-document-library/** 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 advice providers can also help you find information relating to the Funds 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

The Funds are currently closed to new investors. If you are an existing investor, you can make additional investments in any of the Funds by contacting us or via an approved custodial administration service. Where you are investing through the custodial administration service, you will need to make payment to the provider of that service by following the process it has.

