

# Lifetime Retirement Income Fund

Fund Update for the quarter ended 31 December 2023



This fund update was first made publicly available on 7 February 2024.

## What is the purpose of this update?

This document tells you how the Lifetime Retirement Income Fund (**Fund**) has performed and what fees were charged. The document will help you to compare the Fund with other funds. Lifetime Asset Management Limited (**Lifetime**) 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

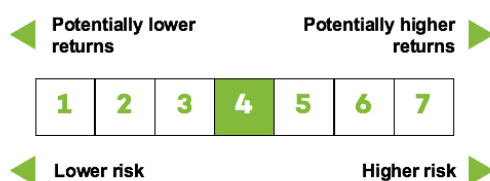
This Fund is a managed investment scheme. Your money will be pooled with other investors' money and invested in various investments. Lifetime Asset Management Limited (**Lifetime, we, us, or our**) will invest your money and charge you a fee for its services.

The Fund invests in diversified index funds with underlying exposure to international and Australasian equities and fixed interest. The Fund's investment objective is to maintain sufficient capital to support the provision of retirement income for life, delivering a target return of 5.50% per-annum (before taxes and fees) over the long term and limit average annualised volatility between 5.0% and 10.0% over the long-term.

Total value of the Fund	\$99,289,525
The date the Fund started	26 March 2021

## What are the risks of investing?

### Risk indicator for the Lifetime Retirement Income Fund



The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the Fund's assets goes up and down. A higher risk generally means higher potential returns over time, but more ups and downs along the way.



To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at [sorted.org.nz/tools/investor-kickstarter](https://sorted.org.nz/tools/investor-kickstarter)

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. As the Fund has not been in existence for five years the risk indicator is based on the fund's returns data for the period 1 May 2021 to 31 December 2023 and market index data for the period 1 January 2019 to 30 April 2021. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates.



See the Product Disclosure Statement (**PDS**) for more information about the risks associated with investing in this Fund.

## How has the fund performed?

	Past Year
<b>Annual return</b> (after deductions for charges and tax) <sup>1</sup>	9.96%
<b>Annual return</b> (after deductions for charges but before tax) <sup>2</sup>	10.04%
<b>Market index annual return</b> (reflects no deduction for charges and tax) <sup>3</sup>	14.68%

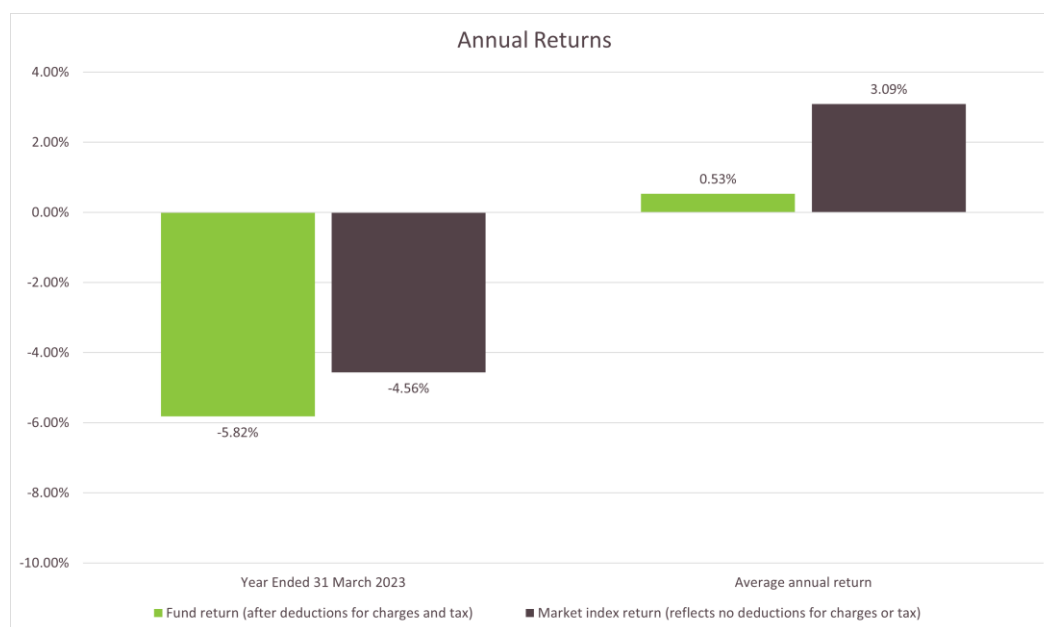
The market index annual return for the Fund is a composite index, calculated using the return of each asset class index the Fund invests in, weighted by the Fund's benchmark asset allocation. To the extent that imputation or franking credits are available, they are included in the market index.



See the Statement of Investment Policy and Objectives (**SIPO**) for details of the Fund's benchmark asset allocation and the asset class indices.



Additional information about the market index is available in the 'Other Material Information' document on the 'Offer Register' at [disclose-register.companiesoffice.govt.nz](https://disclose-register.companiesoffice.govt.nz) (search for 'Lifetime Retirement Income Fund').



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

**Important:** This does not tell you how the fund 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?

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Investors in the Fund are charged fund charges. In the year to 31 March 2023 these were:

	% of net asset value
Total fund charges	1.31%
Which are made up of:	
<b>Total management and administration charges</b>	1.31%
Including:	
• Manager's basic fee	0.61%
• Other management and administration charges	0.70%
<b>Total performance-based fees*</b>	0.00%
<b>Other charges</b>	
The Fund may incur additional charges from the Underlying Funds when making an investment or withdrawal. Additional information about these charges is available in the PDS document on the 'Offer Register' at <a href="https://disclose-register.companiesoffice.govt.nz">disclose-register.companiesoffice.govt.nz</a> (search for 'Lifetime Retirement Income Fund').	

\* There are no performance fees charged by the Fund.

All fees are inclusive of GST (if any).

Investors may also be charged individual action fees for specific actions or decisions (for example, buy/sell spread). See the PDS for more information about those fees.

## Example of how this applies to an investor

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

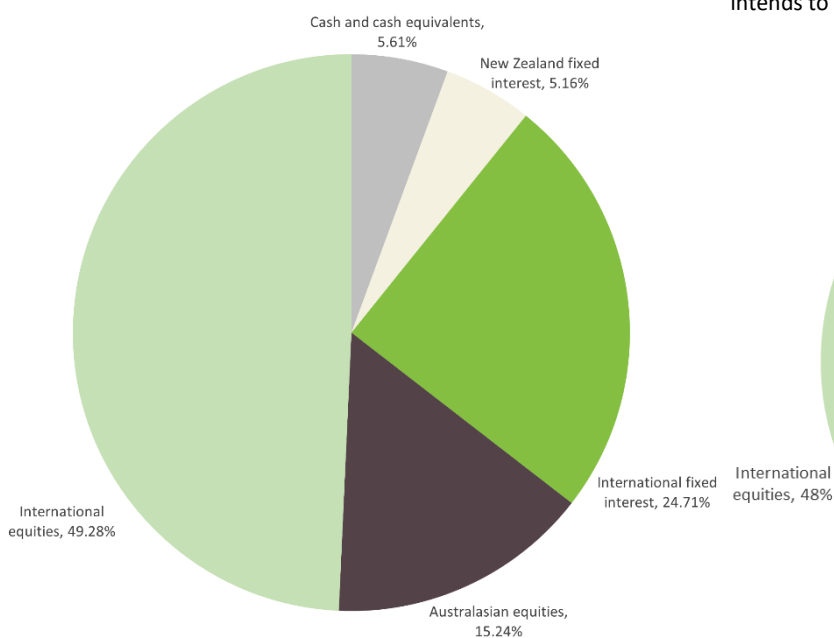
### Example of how this applies to an investor

Ben had \$25,000 in the Fund at the start of the year and did not make any further contributions. At the end of the year, Ben received a return after fund charges were deducted of \$2,510 (that is 10.04% of his initial \$25,000). Ben also paid \$0.00 in other charges. This gives Ben a total return after tax of \$2,490.00 for the year.

## What does the fund invest in?

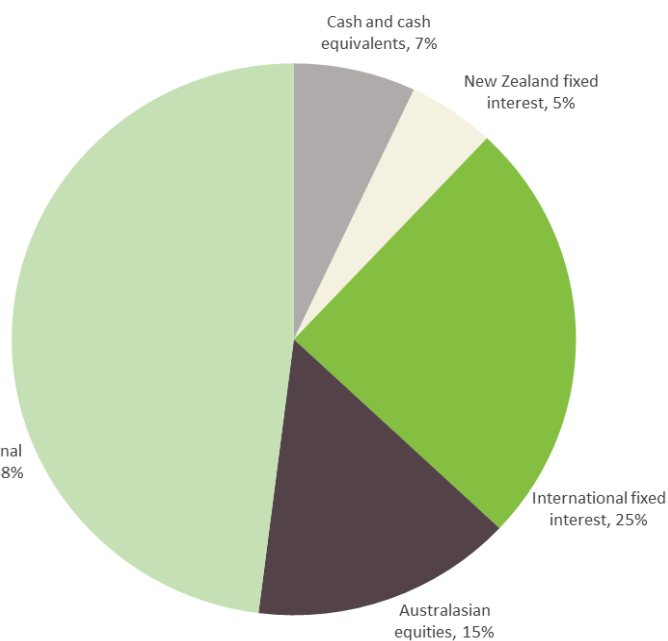
### Actual investment mix

This shows the types of assets that the fund invests in.



### Target investment mix

This shows the mix of assets that the fund generally intends to invest in.



### Top 10 investments

Name	Percentage of the net asset value of the Fund	Type	Country	Credit rating (if applicable)
Vanguard International Shares Select Exclusions Index Fund - AUD Hedged	49.28%	International equities	Australia	-
Vanguard International Fixed Interest Index Fund – AUD Hedged	18.44%	International fixed interest	Australia	-
Vanguard Australian Shares Index Fund	15.24%	Australasian equities	Australia	-
Vanguard Australian Fixed Interest Fund	6.26%	International fixed interest	Australia	-
Goldman Sachs NZD Margin Account	5.19%	Cash and Cash Equivalents	United Kingdom	A+
Harbour Enhanced Cash Fund	5.16%	New Zealand fixed interest	New Zealand	-
ANZ 'On Call' Cash Account - AUD	2.68%	Cash and Cash Equivalents	New Zealand	AA-
ANZ 'On Call' Cash Account	2.22%	Cash and Cash Equivalents	New Zealand	AA-
AUD/NZD Forward Currency Contract (Matures February 2024)	0.14%	Cash and Cash Equivalents	Australia	-
Euro Stoxx 50 Future (Matures March 2024)	0.00%	Cash and Cash Equivalents	Germany	-

The top 10 investments make up 104.61% of the net asset value of the Fund.

## Currency hedging

Asset categories	Benchmark hedging rate	Benchmark range	Actual hedging level as at 31 December 2023
Cash and cash equivalents	Dynamic hedging that is continuously changing	-	-
New Zealand fixed interest	No foreign exchange exposure	-	-
International fixed interest	100% hedged to New Zealand dollar	+ / - 5.00%	99.50%
Australasian equities	100% hedged to New Zealand dollar	+ / - 5.00%	99.50%
International equities	100% hedged to New Zealand dollar	+ / - 5.00%	99.50%
Unlisted property	No foreign exchange exposure	-	-
Other	No foreign exchange exposure	-	-



Additional information about currency hedging is available in the 'SIPO' on the 'Scheme Register' at [disclose-register.companiesoffice.govt.nz](https://disclose-register.companiesoffice.govt.nz) (search for 'Lifetime Retirement Income Fund').

## Key personnel

This shows the directors, employees and Investment Committee members and advisors who have the most influence on the investment decisions of the Fund.

Name	Current position	Time in current position	Previous or other position	Time in previous or other position
Ralph Stewart	Managing Director & Chair, Lifetime Investment Committee	9 years and 7 months	Chief Executive, Accident Compensation Corporation	1 year and 4 months
			Chief Executive, AXA New Zealand	10 years and 1 month
Cameron Bagrie	Member, Lifetime Investment Committee	2 years and 8 months	Managing Director & Chief Economist, Bagrie Economics ( <i>current position</i> )	6 years and 0 months
			Chief Economist, ANZ	11 years and 10 months
Kevin Stirrat	Member, Lifetime Investment Committee	2 years and 8 months	Director/Strategy Wealth Management Research, Forsyth Barr Limited	15 years and 10 months
Ellen Cheyne <sup>4</sup>	Chief Financial Officer & Member, Lifetime Investment Committee	5 years and 6 months	Head of Finance, The Co-operative Bank	7 years and 10 months
Victor Huang	Advisor, Lifetime Investment Committee	3 years and 9 months	(Australia) Principal and Head of Investment Solutions Asia-Pacific – Milliman Inc ( <i>current position</i> )	16 years and 0 months
Paul Robertshawe	Advisor, Lifetime Investment Committee	2 years and 8 months	Chief Investment Officer, Octagon Asset Management Limited ( <i>current position</i> )	2 years and 2 months

## Further information

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You can also obtain this information, the PDS for the Lifetime Retirement Income Fund, and some additional information from the offer register at [disclose-register.companiesoffice.govt.nz](https://disclose-register.companiesoffice.govt.nz) (search for 'Lifetime Retirement Income Fund').

## Notes

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1. This is the performance of the Fund from 31 December 2022 to 31 December 2023 with fees deducted and tax applied. Tax is calculated using the highest PIE tax rate of 28% and it allows for tax credits which are applied during periods of negative performance.
2. This is the performance of the Fund from 31 December 2022 to 31 December 2023 with fees deducted and no allowance for tax.
3. This is the return of the index before fees have been deducted and before the application of Lifetime's risk management overlay. To help protect investors capital Lifetime actively move between cash and growth assets during periods of extreme volatility. This has the effect of both lowering return and lowering risk in the short term. A key feature of the Lifetime Retirement Income Fund is the payment of regular income throughout retirement, this requires a conservative approach to the management of the capital from which the income is paid. The Fund's target return is 5.5% p.a. over the long-term.
4. Ellen Cheyne in her role as Chief Financial Officer & Member, Lifetime Investment Committee, has been added as an employee who has the most influence on the investment decisions of the fund.

# Lifetime

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