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1. Purpose of the SIPO

This Statement of Investment Policy and Objectives (**SIPO**) sets out the investment governance and management framework, philosophy, strategies, and objectives of the Funds offered under the Lifetime Retirement Funds (**Scheme**).

This SIPO describes how:

- Lifetime Asset Management Limited (**Lifetime, Manager, we, our, or us**) manages the investments of the Funds;
- the performance of each Fund's investments is measured and monitored; and
- changes are made to this SIPO.

This SIPO, the Product Disclosure Statement (**PDS**) and the Other Material Information (**OMI**) documents relating to this offer can be found on the Disclose Register at **disclose-register.companiesoffice.govt.nz** (click 'Search for a scheme' and search for 'Lifetime Retirement Funds' for the SIPO and click 'Search for an offer' and search for 'Lifetime Retirement Funds' for the PDS and OMI).

2. Description of the Scheme and Funds

The Scheme is registered under the Financial Markets Conduct Act 2013 (**FMCA**) as a managed investment scheme. The Manager of the Scheme and each Fund is Lifetime. We have appointed Apex Investment Administration (NZ) Limited (**Apex**) as the administration manager of the Scheme.

The supervisor of the Scheme is Public Trust (**Supervisor**). The custodian of the Scheme appointed by the Supervisor is Adminis Custodial Nominees Limited (**Custodian**).

As at the date of this SIPO, the investment funds available to investors are:

- Lifetime Retirement Income Fund
- Lifetime Cash Fund
- Lifetime Conservative Fund
- Lifetime Balanced Fund
- Lifetime Growth Fund

(the **Funds**)

Your money is pooled with other investors' money and invested in various investments. We will invest your money and charge you a fee for our services. The returns of each Fund are dependent on the investment decisions of Lifetime and the performance of the investments. The value of those investments may go up or down.

The Funds are invested in underlying funds. Performance is measured against the relevant index for each asset class return and tracking performance. Foreign currency exposures are partially hedged back to New Zealand Dollars.

The investments are represented by units. The value of an investor's interest in the assets of a Fund is determined by multiplying the units attributable to the accounts held by the investor by the relevant unit price. No investor acquires an interest in any particular asset of a Fund to which their units in the Fund relate.

We may close, wind up, or alter the Funds at any time in accordance with the Scheme's trust deed (Trust Deed).

3. Investment Philosophy

Our investment philosophy is based on the following set of fundamental beliefs:

- Long-term investments out-perform short-term investments.
- The benchmark asset allocation of a fund is the primary driver of investment risk and return.
- We expect a well-diversified portfolio to provide investors with a less volatile investment experience, while single sector funds invested mainly in growth orientated assets (like shares and property) may provide the opportunity for improved investment returns albeit under more volatile conditions.
- We value quality, simplicity and transparency when selecting investments.
- By offering multi-asset-class funds, we maximise diversification for investors.
- The importance of strong governance and efficient portfolio management and implementation.
- The relationship between risk and return means that growth assets are likely to deliver higher returns over time but may be more volatile (prices falling as well as rising) while income assets are usually less volatile but are also likely to deliver a lower return over the long term.
- The integration of environmental, social and governance (ESG) factors into our investment management processes because we believe that these factors are some of the drivers of long-term value for the Scheme's investors and their investments.

4. Investment Strategy

We seek to provide investors with a range of investment choices and investment management styles to enable them to choose a portfolio that suits their unique goals and needs.

The Scheme offers a range of Funds:

- **Lifetime Conservative, Lifetime Balanced and Lifetime Growth Funds**

These diversified funds provide exposure to a range of asset classes with varying ranges of benchmark asset allocations and ranges to provide differing balances of risk and return.

- The Lifetime Conservative Fund provides diversified exposure investing mainly in income assets with some exposure to growth assets. The Fund seeks to track composite indices (before annual fund charge and tax) and is expected to experience low to medium volatility.
- The Lifetime Balanced Fund provides diversified exposure investing primarily in growth assets with a moderate exposure to income assets. The Fund seeks to track composite indices (before annual fund charge and tax) and is expected to experience medium to high volatility.
- The Lifetime Growth Fund provides diversified exposure investing mainly in growth assets with some exposure to income assets. The Fund seeks to track composite indices (before annual fund charge and tax) and is expected to experience high volatility.

- **Lifetime Cash Fund**

This single sector fund provides exposure to a single asset class, investing in cash and cash equivalent investments. The Fund seeks to track the S&P/NZX Bank Bills 90-Day Index (before annual fund charge and tax) and is expected to experience low volatility.

- **Lifetime Retirement Income Fund**

This Fund is specifically designed for investors who want to use their savings to generate a retirement income. The Fund enables investors to invest and use their capital and any income returns received on their investment to receive a regular income which is paid in a series of regular (fortnightly or 4-weekly) withdrawals.

The calculation of the investor's Retirement Income changes each year with reference to investment returns, investment risk, mortality and personal tax rates to provide a high prospect that their capital is likely to last their expected lifetime.

The Fund provides access to a balanced investment portfolio comprising growth and income assets and, which is weighted less towards income assets and weighted more towards growth assets and is managed to reduce market volatility. The Fund has a target return currently set at 5.50% p.a. (before fees and taxes) over the long term and aims to limit average annualised volatility to between 5.0% - 10.0% over the long term at a target level of 7.5%.

We determine the investment strategy, objectives and policy of each Fund and set the benchmark asset allocations and ranges (where applicable) that reflects that strategy, objectives and policy (as set out in the Fund Schedules). We then select one or more underlying funds and underlying fund managers that have adopted strategies, objectives and policies that provide the exposure required for the Funds.

Underlying fund managers used by the Funds may invest in a broad range of shares (also known as equities), fixed interest investments, listed and unlisted property trusts/funds, infrastructure investments, cash instruments and in managed funds. Securities held by underlying fund managers or appointed investment managers may be listed or unlisted. Underlying fund managers may borrow, short-sell securities and use derivatives.

The underlying fund managers at the date of this SIPO are set out below:

Underlying Fund Managers	Description
Fisher Funds Management Limited (Fisher)	<p>Fisher has been selected to manage the Scheme's investments in New Zealand fixed interest and cash. The Funds attain this exposure by investing in the Fisher Institutional New Zealand Fixed Interest Fund and Fisher Institutional New Zealand Cash Fund.</p> <p>Fisher has a 25-year track record in funds management and is a specialist New Zealand fixed interest and cash investment manager. They apply a conviction-based approach to investment management and a clear and practical approach to responsible investment.</p> <p>Fisher is a signatory to the United Nations sponsored Principles for Responsible Investment (PRI). Fisher's Socially Responsible Investing Policy touches on every element of their investment process, ensuring the investment team considers all ESG issues when undertaking fundamental analysis of a company. Fisher also maintains a Prohibited Companies List that identifies companies which do not meet Fisher's ESG standards</p>

Underlying Fund Managers	Description
	(because of the products they produce, services they engage in, or their past conduct). Fisher will not invest in companies on this list.
Kernel Wealth Limited (Kernel)	<p>Kernel has been selected to manage the Scheme's investments in New Zealand listed property, international listed property and international infrastructure. The Funds attain this exposure by investing in the Kernel NZ Commercial Property Fund, the Kernel Global Green Property Fund, and the Kernel Global Infrastructure (NZD Hedged) Fund respectively.</p> <p>Kernel is a New Zealand investment manager providing efficient exposure to listed property and infrastructure assets. Property and infrastructure are important sectors in which Kernel funds hold the securities to match their weight in the respective indices, representing good tax and value balance.</p> <p>As a manager, Kernel offsets their carbon emissions and is a certified Living Wage Employer. Kernel funds are index tracking, which determines the core sustainability/ESG factors.</p> <p>The Kernel NZ Commercial Property Fund tracks the S&P/NZX Real Estate Select Index which is designed to measure the performance of the largest and most liquid members of the S&P/NZX All Index and classified within the GICS (Global Industry Classification Standard) real estate sector. The index does not consider sustainability/ESG factors.</p> <p>The Kernel Global Green Property Fund tracks the Dow Jones Global Select ESG Real Estate Securities Index which is designed to measure the performance of publicly traded real estate securities while overweighting those companies with relatively high GRESB (Global ESG Benchmark for Real Assets) total scores and underweighting those with lower or zero total scores. GRESB are a global leader in measuring and assessing the ESG performance of real estate companies.</p> <p>The Kernel Global Infrastructure (NZD Hedged) Fund tracks the Dow Jones Brookfield Global Infrastructure Index which is designed to cover all sectors of the global infrastructure market. To be included in the index, a company must derive at least 70% of cash flows from infrastructure lines of business.</p>
Lifetime Asset Management Limited (Lifetime)	<p>Lifetime manages the Lifetime retirement Income Fund's investment in unlisted New Zealand residential property. This Fund attains this exposure by investing in the Lifetime Wholesale Residential Property Fund (LWRPF).</p> <p>LWRPF is specifically designed to fund the equity release product called Lifetime Home, which provides LWRPF with an interest in owner-occupied homes of those generally aged 70 plus and gives the homeowner a regular payment in retirement. LWRPF acquires an interest in the residential property at a discount to market value by equal instalments over 10 years. LWRPF acquires an interest of 3.5% each year for a purchase price of 2.5% each year of the home's initial value. When the home is ultimately sold, the Fund receives its share of the gross sale proceeds.</p> <p>Lifetime is an experienced superannuation manager specialising in managing investments for customers approaching retirement and then actively supporting customers with the transition from saving for retirement to spending in retirement.</p>

Underlying Fund Managers	Description
Mercer (N.Z.) Limited (Mercer)	<p>Mercer has been selected to manage the Scheme's investment in international equities, Australian equities, and international fixed interest. The Funds attain exposure to:</p> <ol style="list-style-type: none"> 1. International Equities by investing in the Mercer Socially Responsible Overseas Shares Index Portfolio and Mercer Socially Responsible Hedged Overseas Shares Index Portfolio. We have split the portfolio 50% hedged and 50% unhedged at this time. Mercer have appointed Legal & General Investment Management Limited (Legal & General) as the investment manager of these underlying funds. Legal & General make the decisions about what the underlying funds invest in. 2. Australian Equities by investing in the Mercer Macquarie Australian Shares Fund. Mercer have appointed Macquarie Investment Management Global Limited (Macquarie) as the investment manager of this underlying fund. Macquarie makes the decisions about what this underlying fund invests in. 3. International Fixed Interest by investing in the Mercer Ethical Leaders Hedged Global Fixed Interest Fund. Mercer have appointed UBS Asset Management (Australia) Ltd (UBS) as the investment manager of this underlying fund. UBS makes decisions about what this underlying fund invests in. <p>Mercer is part of Marsh & McLennan Companies, Inc (MMC), a Fortune 250 company. The Mercer network gives Scheme investors access to a global investment capability within tax effective funds designed for New Zealand investors. Mercer focuses on selecting investment managers who are specialists within their particular investment markets and who have demonstrated capability and conviction in portfolio construction and the execution of investment strategies. A formalised process of screening potential managers, including a detailed assessment of their ability and performance, is coupled with on-going monitoring and formal performance reviews. The aim is to achieve a level of returns meeting or exceeding the objectives set, from time to time, for each fund and which is consistent with the risk profile of each fund.</p> <p>Mercer believes a sustainable investment approach is more likely to create and preserve long-term investment capital and, more specifically, that ESG factors can have a material impact on long-term risk and return outcomes and these should be integrated into the investment process. As an overarching principle, Mercer is committed to investing responsibly and prefer an integration and engagement-based approach. Mercer excludes investments in controversial weapons, tobacco companies and Russian assets across all their investment portfolios. Their Socially Responsible Portfolios have additional exclusions - gambling, alcohol, adult entertainment, and fossil fuels.</p>

Underlying Fund Managers	Description
Simplicity NZ Limited (Simplicity)	<p>Simplicity has been selected to manage the Scheme's investment in New Zealand equities. The Funds attain this exposure by investing in the Simplicity NZ Share Fund.</p> <p>Simplicity provides a practical, low-cost option for the Scheme's New Zealand equity exposure through their index-tracking NZ Share Fund.</p> <p>Simplicity is a non-profit investment manager and applies a Responsible Investment Policy that excludes investment in companies with significant exposure (based on defined revenue thresholds) to the fossil fuel, alcohol, tobacco, gambling, adult entertainment, civilian firearms, military weapons, and nuclear power industries, as well as companies deemed to be non-compliant with the principles of the UN Global Compact under the following categories – Human rights, Labour, Environment, and Anti-Corruption.</p>

The Investment Manager at the date of the SIPO for the Lifetime Retirement Income Fund (**LRIF**) is Milliman Pty Limited.

Investment Manager	Description
Milliman Pty Limited	<p>We have appointed Milliman Pty Limited (Milliman) as the LRIF's investment adviser and an investment manager. Founded in 1947, Milliman is among the world's largest providers of actuarial and related products and services.</p> <p>Milliman Financial Risk Management (Milliman FRM) began as a business unit within Milliman, Inc. in 1998 to provide investment advisory, overlay and consulting services.</p> <p>Milliman FRM provides 24-hour coverage by operating as a group across various time zones for trading efficiency, portfolio monitoring, operational logistics and reporting.</p> <p>Milliman provides the following services to the LRIF:</p> <ul style="list-style-type: none"> • Investment advice to the Manager on the Fund and the underlying funds the Fund invests in; and • Keeps the Fund under review and confers at regular intervals with the Manager regarding the investment and management of the Fund's assets. <p>The Fund invests in underlying funds, cash and cash equivalents, and derivatives for risk management purposes, as described in further detail below.</p> <p>Reviews of investment strategy are normally carried out on an annual basis (or earlier if market conditions warrant it).</p> <p>Risk Management Overlay</p> <p>We have also subcontracted the LRIF's Risk Management Overlay (RMO) to Milliman. The RMO is an intelligent, institutional quality risk management strategy that seeks to stabilise portfolio volatility below a target level, capture growth in up markets, and defend against losses during major market declines. The strategy is used in a variety of funds and investment products</p>

Investment Manager	Description
	<p>in an attempt to help investors weather market turbulence and improve the overall likelihood of meeting retirement income goals.</p> <p>The RMO process manages the risk of the portfolio by varying the effective cash and share exposure.</p> <p>It does this by rebalancing the Fund's assets by buying and selling cash and derivative contracts, depending on the forecasted level of risk in the market and the Fund's performance at a given point in time. Derivative contracts enable investors to negotiate with a counterparty to trade movements in market exposure. The aim of the RMO is to limit average annualised volatility in the Fund to within a range of 5.00% to 10.00% with a target of 7.50%.</p>

Where the assets of a Fund are not invested in underlying funds, the assets may, from time to time be placed on deposit with one or more New Zealand registered banks.

The underlying funds or any investments accessed, and the underlying fund manager(s) may be changed at any time without notice to investors. Details of the investments of each Fund can be found in the most recent fund update for each Fund.

5. Investment Objective

The investment objective of the Scheme is to provide investors with a range of funds that individually or in combination will enable investors to meet their short, medium or long-term investment objectives in a manner that is consistent with their own individual risk/return profiles.

We aim to achieve this through the individual investment strategies and objectives for each Fund. These are detailed in the relevant Fund Schedules.

All diversified Funds have income and growth targets, as well as benchmark asset allocations and ranges for each asset class. These are set out in the relevant Fund Schedules. The Lifetime Cash Fund invests in a single asset class, and as a result will be exposed to only cash and cash equivalents.

The underlying funds (selected by us to achieve investment in the asset classes set out in the relevant Fund Schedules) may be invested either directly or indirectly (such as investment in further underlying funds).

6. Investment Policies

Currency Hedging Policy

Hedging may be used by the Scheme (with the exception of the Lifetime Cash Fund) to manage the exposure of assets to exchange rate fluctuations. A hedged position will not produce the full benefit of a favourable exchange rate movement, but at the same time will not expose the Fund to the full loss potential of an unfavourable exchange rate movement. A Fund which incorporates a currency hedge provides a buffer against currency fluctuations either in whole, or in part.

For each of the Funds with foreign currency exposure, we have adopted a currency hedging policy and monitoring process (as set out in the relevant Fund Schedule) that is implemented within the

underlying funds by the underlying fund managers. Hedging is not undertaken directly within the Funds.

The specific currency hedging policy and monitoring process for each Fund which has foreign currency exposure is detailed in the relevant Fund Schedule.

Derivatives Policy

Financial instruments known as ‘derivatives’ may be used for the purposes of risk management, performance enhancement or to optimise investment strategy implementation (i.e., as an alternative to investing in a physical asset). The use of derivatives is not considered in isolation but rather as part of the overall investment strategy.

Milliman is not allowed to use derivatives to gear the LRIF, i.e. creating a net market exposure which exceeds the portfolio total market value.

Unlisted and listed options will not be used. Listed futures may be used to manage risk and reduce the equity exposure of the overall portfolio.

Listed futures and/or over the counter (OTC) currency forwards may be used to manage exchange rate exposure of the overall LRIF portfolio.

Market Risk Management Policy

Market risk is managed by selecting and monitoring underlying funds assessed as consistent with the investment strategy of the Fund and the Fund benchmark and invested within the permitted ranges.

Credit Risk Management Policy

We select underlying fund managers with diversified fixed interest portfolios.

Rebalancing Policy and Limit Break Reporting

Market movements and cash flows can result in the actual asset allocations becoming different from the benchmark asset allocations. To ensure that actual asset allocations remain close to the benchmark asset allocations and within the maximum permitted ranges as stated in the relevant Fund Schedules, we have set appropriate internal operating range limits for exposure to underlying asset classes. We monitor them regularly to ensure that the maximum permitted range limits are not breached.

The internal operating range limits have been designed based on the maximum permitted range limits of the underlying funds, with an appropriate margin. If at any time any asset allocation falls outside of the internal operating ranges, a review is triggered with a view to rebalance to restore the allocation within the internal operating ranges and towards the targeted benchmark asset allocations within five working days.

For the avoidance of doubt, the ‘internal operating ranges’ are not the maximum permitted range limits – they are simply the level of variance where we would normally consider making adjustments to the asset allocations to move the asset allocation towards the benchmark asset allocations and to prevent any breach of the maximum permitted ranges (a limit break) occurring.

A 'limit break' is any breach of any limits on either the nature or type of investments that may be made by a Fund, or the maximum permitted range being the proportion of each type of assets that may be invested in.

In determining whether a limit break is material, the following factors will be considered:

- the size of the breach, in relation to the Fund;
- any losses to investors;
- whether the breach involves related party transactions;
- whether the breach is an isolated incident or part of a recurring pattern of breaches;
- if the breach causes the product disclosure statement, registry entry, or an advertisement to which the offer relates, to be false or misleading;
- how quickly the breach is rectified after the Manager becomes aware of the breach; and
- how long the breach lasted.

In accordance with the Financial Markets Conduct Regulations 2014 (FMCRR), we are required to provide a limit break report for the Scheme to the Supervisor within 10 working days after the end of each quarter of each year. If a material limit break occurs during the quarter and is not corrected within five working days after the date that we become aware of the limit break, we must report the limit break to the Supervisor and provide the information required as prescribed in the FMCRR.

The benchmark asset allocations and ranges (where applicable) for each Fund is detailed in the relevant Fund Schedules.

Lifetime Retirement Income Fund

The LRIF invests in LWRPF to provide exposure to unlisted New Zealand residential property. Due to the illiquid nature of the unlisted New Zealand residential property investment, the rebalancing policy of using cash flows to move allocations closer to benchmark may not be used with the LWRPF. Investment in unlisted New Zealand residential property will start closer to the lower end of the maximum permitted ranges and over time will move towards the benchmark asset allocation as the size of the investment in the LWRPF increases. Rebalancing of unlisted New Zealand residential property will be limited until the asset allocation of the investment reaches our long run benchmark allocation expectations.

Tactical Asset Allocation Policy

Based on the recommendations from our investment committee, we will consider tilting the allocation of underlying funds, within the maximum permitted ranges, and the sector exposure they provide, with the intention of providing an improved investment performance through short to medium term tactical asset allocations.

This does not apply to the LRIF that has the RMO managed by Milliman.

Liquidity and Cash Management Policy

Funds may hold transactional cash for investor transactions and operational purposes. This is in addition to the permitted investments invested in by the underlying fund managers.

The Scheme bank account is monitored daily as part of the unit pricing process, and the monitoring of the Funds' liquidity levels and any associated transactions is undertaken as part of the daily bank account reconciliation process. We monitor each Fund's liquidity levels to ensure that there are

sufficient available funds to meet obligations (which include withdrawals, taxation payments, fees and expenses) during normal market conditions.

The Manager will allocate Funds investments in securities normally available for redemption on a daily basis with settlement within 5 working days.

Lifetime Retirement Income Fund

For the LRIF, a cash flow forecast is maintained with a 30-business day horizon. This is considered sufficient time to redeem from underlying funds if required. The Fund's assets are invested in underlying funds which have a settlement period of less than five business days. Similarly, five business days is sufficient to ensure that inflows are invested. The unlisted property investment does not share the same level of liquidity as the other underlying investments and will not be available for redemption within five working days.

Pricing/Valuation Policies

The assets of each Fund are valued by an independent external party, Apex Investment Administration (NZ) Limited, every working day, in accordance with their pricing and valuation policies. These policies set out the valuation principles to be applied to determine asset values for use in the calculation of the Net Asset Value (**NAV**) of the Funds. The primary purpose of deriving this NAV is to determine the appropriate unit price at which investor transactions may be processed as well as to determine the value of investor balances for the calculation of related fees.

The policies have been constructed with reference to industry best practice, NZ IFRIS accounting standards, and informed by standards and guidelines introduced in Australia. The policies also comply with any legislation introduced in New Zealand by relevant authorities. The pricing and valuation methodologies adopted ensure the unit pricing and valuation process is fair and equitable, transparent, applied consistently and reviewed regularly.

Lifetime Retirement Income Fund

The valuation of the LWRPF's residential property assets is performed by Lifetime Asset Management Limited. The LWRPF is valued at the end of each month and the revised value will be included in the Fund's unit price generally 10 days after the month end. Within the LWRPF the property assets are valued at approximately annual intervals from the date purchased and the values reviewed quarterly for significant changes which may need to be adjusted.

Taxation Policy

The Scheme is a Portfolio Investment Entity (**PIE**). Tax on investment returns is calculated at each investor's Prescribed Investor Rate (**PIR**) (currently either 10.5%, 17.5% or 28.0% depending on each investor's circumstances) and paid to Inland Revenue on each investor's behalf annually.

For more information about the tax consequences, see the 'Other Material Information' document on the Disclose Register at disclose-register.companiesoffice.govt.nz (click 'Search for an offer' and search for 'Lifetime Retirement Funds')

Responsible Investment Policy

We believe that over the long term, companies with strong ESG practices should deliver stronger risk adjusted returns than those without. In selecting an underlying fund manager, one of the selection criteria is the manager's ESG practices.

The Manager and the underlying fund managers generally seek out companies with good ESG practices, to provide Scheme investors with funds that meet investors' needs and expectations.

The Scheme currently offers a range of investment options to the Scheme's investors, using underlying fund managers with differing approaches to responsible investing.

Related Party Transactions Policy

Any transactions with related parties of the Scheme will be conducted in accordance with the rules on related party transactions that apply to managers of managed investment schemes (**MISs managers**) under the FMCA. The general rule under the FMCA is that the manager (and any investment manager, administration manager, or other person to whom the manager has contracted some or all of its manager functions) of a scheme is prohibited from entering into a transaction that provides for a related party benefit to be given.

The FMCA does provide an exception to this rule whereby the manager can enter into a transaction that provides for a related party benefit, if the manager:

- Notifies the Supervisor of the transaction, the related party benefits given under that transaction, the key terms of the transaction; and either:
 - the transaction is 'permitted', and the manager certifies to the Supervisor to this effect; or
 - the manager obtains the Supervisor's consent to the transaction, which may only be given where the Supervisor considers it to be in the best interests of investors or it is approved by or contingent on approval by a special resolution of affected investors.

Any related party transaction entered into requires the approval of our Board.

For further information on the rules on related party transactions that apply to MISs under the FMCA, please visit the guidance library for managed investments on the FMA website at **fma.govt.nz**.

Lifetime Retirement Income Fund

As Manager of the LRIF and the LWRPF, has entered into a supply commitment. Under this commitment, the LRIF will invest up to \$6.6m in the LWRPF over a 7-year period to gain asset exposure to unlisted New Zealand residential property. The LWRPF will subsequently make these investment funds available to Lifetime Home Limited, the offeror of the Lifetime Home Equity Release Product, to fund the acquisition of interests in the homes of homeowners who have entered into a Lifetime Home Equity Release Agreement.

Conflicts of Interest Policy

We have in place a Conflicts of Interest and Related Party Transactions Policy which sets out our processes for identifying and managing any actual or potential conflicts of interest and related party transactions

For further information on how we manage any conflicts of interest, please refer to the Scheme's Other Material Information document which can be found on the Disclose Register at **disclose-register.companiesoffice.govt.nz** (click 'Search for an offer' and search for 'Lifetime Retirement Funds'.

7. Investment Performance Monitoring

Performance Monitoring

The investment performance (also known as returns) of the Funds is measured each working day as part of the unit pricing processes and forms the basis for the performance calculations.

We measure the performance of each Fund on:

- a before-fees and before-tax basis; and
- an after-fees and before-tax basis; and
- an after-fees and after-tax (at the highest PIR) basis.

We monitor and review the investment performance of the Funds monthly. The performance of each Fund is monitored over various periods and is aggregated into longer-term measures of performance, including but not limited to monthly, three-monthly, one-year, three-year and five year. These are compared against fund objective and a relevant market index or composite index (as applicable).

Lifetime Retirement Income Fund

Milliman and Lifetime monitor, on a monthly and quarterly basis, the performance of LRIF's investment strategies and policies as they apply to the underlying funds. This monitoring looks at whether:

- the relevant investment objective is achieved;
- the strategy remains effective and appropriate;
- the passive underlying funds are achieving their investment objectives over the long-term;
- the active underlying funds are achieving their investment objectives; and
- the unlisted New Zealand residential property investments capital commitments continue to be met.

As the LRIF is designed to enable investors to use their savings to generate a retirement income, the Fund is primarily focused on long-term investment returns (i.e. 25 plus years) and has a high conviction level to the current investment strategy and objective. Therefore, short to medium term volatility (i.e. periods under ten years) or sustained periods of under performance against benchmark is not a reason in itself, to change the investment strategy, objectives or underlying investments.

8. Investment Strategy Review

We oversee the development, implementation, monitoring and performance of the investment strategy of the Funds within the Scheme, including selecting or removing underlying fund manager(s) and underlying fund(s). As well as the selection process, all incumbent underlying fund managers, are subject to ongoing monitoring by us.

We will normally review the investment strategy for each Fund on a bi-annual basis or when the market warrants it. This includes a strategic asset allocation review of each Fund in order to set what we believe will be the most effective benchmark asset allocation and ranges for the Fund to achieve its long-term performance objective while remaining in-line with its risk profile.

We may also seek advice and recommendations from external investment advisers concerning the Funds and underlying funds and utilise investment research and other tools to provide recommendations on the underlying fund managers, where applicable.

For the LRIF, we may seek investment advice from Milliman about matters concerning this Fund. Milliman monitors and reviews the investment performance of this Fund on a monthly basis and we monitor Milliman on a monthly basis, as part of our regular reporting.

9. SIPO Compliance and Review

We monitor the Funds and underlying funds compliance with the investment strategies and policies in this SIPO each month, with the exception of limit breaks which is monitored by us on a weekly basis.

The SIPO is formally reviewed annually.

An ad-hoc review of the SIPO may be triggered where there is a change to any of the Funds or any relevant factors impacting a Fund, including, but not limited to:

- any fundamental changes in the investment environment;
- the nature or type of investments that may be made;
- the benchmark and asset ranges of the Funds;
- a change to an underlying fund manager or underlying fund;
- a change to any of the investment objectives of a Fund/s; or
- a change to any of the investment strategy or investment policy of a Fund/s.

Reviews will be undertaken in consultation with the underlying fund managers and will also take into account the legislative requirements, and the Financial Markets Authority's SIPO guidelines applicable at the time.

We can make changes to the SIPO at any time. We will consult with the Supervisor regarding any changes to the SIPO, and, in the case of changes that are considered by the Supervisor to be material, provide investors with one Months' prior notice, unless the Supervisor agrees otherwise. Any changes to the SIPO are approved by our Board and are subject to the restrictions (if any) contained in the Trust Deed and Establishment Deeds. Any material changes will be included in the Scheme's annual report.

The Lifetime Retirement Funds Scheme latest SIPO is available on the Disclose Register at **disclose-register.companiesoffice.govt.nz** (click 'Search for a Scheme' and search for 'Lifetime Retirement Funds').

10. Market Indices

The relevant market indices for each Fund are detailed in the relevant Fund Schedule.

We may change the market indices at any time and without notice to investors, provided that any relevant requirements of the FMCA are met.

More information about the market indices can be found at the index providers' websites.

Asset category	Asset class	Market index	Where to find more information
Cash and Cash Equivalents	Cash and Cash Equivalents	S&P/NZX Bank Bills 90-Day Index	spglobal.com/spdji/en
New Zealand Fixed Interest	New Zealand Fixed Interest	Bloomberg NZBond Composite 0+ Yr Index	bloomberg.com/professional/product/indices
International Fixed Interest	International Fixed Interest	Bloomberg MSCI Global Aggregate SRI Select ex-Fossil Fuels Index, 100% hedged to NZD	bloomberg.com/professional/product/indices
New Zealand Equities	Australasian Equities	Morningstar New Zealand (total return) Index, including imputation credits	indexes.morningstar.com/our-indexes
Australian Equities		S&P/ASX 200 Accumulation Index (in NZD)	spglobal.com/spdji/en
International Equities	International Equities	MSCI World Index NR ex NZ, Tobacco, Controversial and Nuclear Weapons, 50% hedged to NZD	msci.com/our-solutions/indexes
New Zealand Listed Property	Listed Property	S&P/NZX Real Estate Select Index	spglobal.com/spdji/en
International Listed Property		Dow Jones Global Select ESG Real Estate Securities Index (RESI), 100% hedged to NZD	spglobal.com/spdji/en
New Zealand Unlisted Residential Property	Unlisted Property	CoreLogic Home Value Index	https://www.corelogic.co.nz/our-data/hedonic-index
International Infrastructure	Other (Infrastructure)	Dow Jones Brookfield Global Infrastructure Index, 100% hedged to NZD	spglobal.com/spdji/en

Fund Schedules

Schedule 1 – Lifetime Retirement Income Fund

Establishment date	Description	Investment objective
26 March 2021	The Fund invests primarily in growth assets with a moderate exposure to income assets.	<p>The Fund's objective is to help investors turn their retirement savings into an income that will last the rest of their life. We do this by investing their money in the Fund and providing information annually on what level of income can be paid out of their investment in the Fund to deliver a regular tax paid fortnightly or 4-weekly income that is likely to last their lifetime.</p> <p>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 at a target level of 7.5%.</p>

Benchmark Asset Allocation, Range, and Benchmark Index (excluding transactional cash)

Asset class	Underlying fund	Underlying fund manager	Benchmark asset allocation	Maximum permitted ranges	Benchmark index
Cash and cash equivalents	Cash at Bank	Adminis			
	Cash Collateral Account for Derivatives	Milliman	9%	0% - 60%	S&P/NZX Bank Bills 90-Day Index
	Fisher Institutional New Zealand Cash Fund	Fisher			
New Zealand fixed interest	Fisher Institutional New Zealand Fixed Interest Fund	Fisher	14%	4% - 24%	Bloomberg NZBond Composite 0+ Yr Index
International fixed interest	Mercer Ethical Leaders Hedged Global Fixed Interest Fund	Mercer	14%	4% - 24%	Bloomberg MSCI Global Aggregate SRI Select ex-Fossil Fuels Index, 100% hedged to NZD
Total income assets			37%		
Australasian equities	Simplicity NZ Share Fund	Simplicity	11%	6% - 26%	Morningstar New Zealand (total return) Index, including imputation credits
	Mercer Macquarie Australian Shares Fund	Mercer	5%		S&P/ASX 200 Accumulation Index (in NZD)
International equities	Mercer Socially Responsible Overseas Shares Index Portfolio	Mercer	18%	26% - 46%	MSCI World Index NR ex NZ, Tobacco, Controversial and Nuclear Weapons, 50% hedged to NZD
	Mercer Socially Responsible Hedged Overseas Shares Index Portfolio	Mercer	18%		
Listed property	Kernel NZ Commercial Property Fund	Kernel	4%	0% - 16.5%	S&P/NZX Real Estate Select Index
	Kernel Global Green Property Fund	Kernel	2.5%		Dow Jones Global Select ESG Real Estate Securities Index (RESI), 100% hedged to NZD
Unlisted property	Lifetime Wholesale Residential Property Fund	Lifetime	2%*	0% - 10%	CoreLogic Home Value Index
Other (Infrastructure)	Kernel Global Infrastructure (NZD Hedged) Fund	Kernel	2.5%	0% - 12.5%	Dow Jones Brookfield Global Infrastructure Index, 100% hedged to NZD
Total growth assets			63%		
Total assets			100%		

* The benchmark asset allocation for unlisted residential property investment at the date of the SIPO is 2%. Over time, it is intended that the benchmark asset allocation will increase to 8% as the level of investment in residential properties by the Lifetime Wholesale Residential Property Fund increases.

Currency Hedging

The following foreign currency exposure targets will apply to international assets:

- **International fixed interest** – 100% hedged to New Zealand dollars.
- **Australian equities** – unhedged. However, the underlying fund manager has the discretion to hedge the underlying fund back to New Zealand dollars.
- **International equities** – 50% hedged to New Zealand dollars. However, we may aim to add value by tactically adjusting the strategic hedging level on international shares above or below the benchmark of 50% depending on our view of how the New Zealand dollar will perform.
- **International Property** - 100% hedged to New Zealand dollars.
- **International Infrastructure** – 100% hedged to New Zealand dollars.

The Fund has a target of 23% unhedged currency exposure.

Schedule 2 – Lifetime Cash Fund

Establishment date	Description	Investment objective
22 October 2024	The Fund invests in a range of cash and cash equivalent investments and is expected to experience low volatility.	Seeks to track a cash market index (before annual fund charge and tax), comprising: 100% S&P/NZX Bank Bills 90-Day Index.

Benchmark Asset Allocation, Range, and Benchmark Index (excluding transactional cash)

Asset class	Underlying fund	Underlying fund manager	Benchmark asset allocation	Maximum permitted ranges	Benchmark index
Cash and cash equivalents	Cash at Bank	Adminis	100%	100%	S&P/NZX Bank Bills 90-Day Index
	Fisher Institutional New Zealand Cash Fund	Fisher			
Total income assets			100%		
Total assets			100%		

Currency Hedging

No currency hedging is required.

Schedule 3 – Lifetime Conservative Fund

Establishment date	Description	Investment objective
22 October 2024	The Fund invests mainly in income assets with some exposure to growth assets and is expected to experience low to medium volatility.	Seeks to track composite indices (before annual fund charge and tax), comprising: 10% S&P/NZX Bank Bills 90-Day Index; 35% Bloomberg NZ Bond Composite 0+ Yr Index; 35% Bloomberg MSCI Global Aggregate SRI Select ex-Fossil Fuels Index, 100% hedged to NZD; 3% Morningstar New Zealand (total return) Index, including imputation credits; 1% S&P/ASX 200 Accumulation Index (NZD); 11% MSCI World Index NR ex NZ, Tobacco, Controversial and Nuclear Weapons, 50% hedged to NZD; 1.5% Dow Jones Brookfield Global Infrastructure Index, 100% hedged to NZD; 2% S&P/NZX Real Estate Select Index; 1.5% Dow Jones Global Select ESG Real Estate Securities Index (RESI), 100% hedged to NZD.

Benchmark Asset Allocation, Range, and Benchmark Index (excluding transactional cash)

Asset class	Underlying fund	Underlying fund manager	Benchmark asset allocation	Maximum permitted ranges	Benchmark index
Cash and cash equivalents	Cash at Bank	Adminis	10%	0% - 20%	S&P/NZX Bank Bills 90-Day Index
	Fisher Institutional New Zealand Cash Fund	Fisher			
New Zealand fixed Interest	Fisher Institutional New Zealand Fixed Interest Fund	Fisher	35%	25% - 45%	Bloomberg NZBond Composite 0+ Yr Index
International fixed interest	Mercer Ethical Leaders Hedged Global Fixed Interest Fund	Mercer	35%	25% - 45%	Bloomberg MSCI Global Aggregate SRI Select ex-Fossil Fuels Index, 100% hedged to NZD
Total income assets			80%		
Australasian equities	Simplicity NZ Share Fund	Simplicity	3%	0% - 14%	Morningstar New Zealand (total return) Index, including imputation credits
	Mercer Macquarie Australian Shares Fund	Mercer	1%		S&P/ASX 200 Accumulation Index (in NZD)
International equities	Mercer Socially Responsible Overseas Shares Index Portfolio	Mercer	5.5%	1% - 21%	MSCI World Index NR ex NZ, Tobacco, Controversial and Nuclear Weapons, 50% hedged to NZD
	Mercer Socially Responsible Hedged Overseas Shares Index Portfolio	Mercer	5.5%		
Listed property	Kernel NZ Commercial Property Fund	Kernel	2%	0% - 13.5%	S&P/NZX Real Estate Select Index
	Kernel Global Green Property Fund	Kernel	1.5%		Dow Jones Global Select ESG Real Estate Securities Index (RESI), 100% hedged to NZD
Other (Infrastructure)	Kernel Global Infrastructure (NZD Hedged) Fund	Kernel	1.5%	0% - 11.5%	Dow Jones Brookfield Global Infrastructure Index, 100% hedged to NZD
Total growth assets			20%		
Total assets			100%		

Currency Hedging

The following foreign currency exposure targets will apply to international assets:

- **International fixed interest** – 100% hedged to New Zealand dollars.
- **Australian equities** – unhedged. However, the underlying fund manager has the discretion to hedge the underlying fund back to New Zealand dollars.
- **International equities** – 50% hedged to New Zealand dollars. However, we may aim to add value by tactically adjusting the strategic hedging level on international shares above or below the benchmark of 50% depending on our view of how the New Zealand dollar will perform.
- **International Property** - 100% hedged to New Zealand dollars.
- **International Infrastructure** – 100% hedged to New Zealand dollars.

The Fund has a target of 6.5% unhedged currency exposure.

Schedule 4 – Lifetime Balanced Fund

Establishment date	Description	Investment objective
22 October 2024	The Fund invests primarily in growth assets with a moderate exposure to income assets and is expected to experience medium to high volatility.	Seeks to track composite indices (before annual fund charge and tax), comprising: 5% S&P/NZX Bank Bills 90-Day Index; 17.5% Bloomberg NZ Bond Composite 0+ Yr Index; 17.5% Bloomberg MSCI Global Aggregate SRI Select ex-Fossil Fuels Index, 100% hedged to NZD; 10.5% Morningstar New Zealand (total return) Index, including imputation credits; 4.5% S&P/ASX 200 Accumulation Index (NZD); 35% MSCI World Index NR ex NZ, Tobacco, Controversial and Nuclear Weapons, 50% hedged to NZD; 3% Dow Jones Brookfield Global Infrastructure Index, 100% hedged to NZD ; 4% S&P/NZX Real Estate Select Index; 3% Dow Jones Global Select ESG Real Estate Securities Index (RESI), 100% hedged to NZD.

Benchmark Asset Allocation, Range, and Benchmark Index (excluding transactional cash)

Asset class	Underlying fund	Underlying fund manager	Benchmark asset allocation	Maximum permitted ranges	Benchmark index
Cash and cash equivalents	Cash at Bank	Adminis	5%	0% - 15%	S&P/NZX Bank Bills 90-Day Index
	Fisher Institutional New Zealand Cash Fund	Fisher			
New Zealand fixed Interest	Fisher Institutional New Zealand Fixed Interest Fund	Fisher	17.5%	7.5% - 27.5%	Bloomberg NZBond Composite 0+ Yr Index
International fixed interest	Mercer Ethical Leaders Hedged Global Fixed Interest Fund	Mercer	17.5%	7.5% - 27.5%	Bloomberg MSCI Global Aggregate SRI Select ex-Fossil Fuels Index, 100% hedged to NZD
Total income assets			40%		
Australasian equities	Simplicity NZ Share Fund	Simplicity	10.5%	5% - 25%	Morningstar New Zealand (total return) Index, including imputation credits
	Mercer Macquarie Australian Shares Fund	Mercer	4.5%		S&P/ASX 200 Accumulation Index (in NZD)
International equities	Mercer Socially Responsible Overseas Shares Index Portfolio	Mercer	17.5%	25% - 45%	MSCI World Index NR ex NZ, Tobacco, Controversial and Nuclear Weapons, 50% hedged to NZD
	Mercer Socially Responsible Hedged Overseas Shares Index Portfolio	Mercer	17.5%		
Listed property	Kernel NZ Commercial Property Fund	Kernel	4%	0% - 17%	S&P/NZX Real Estate Select Index
	Kernel Global Green Property Fund	Kernel	3%		Dow Jones Global Select ESG Real Estate Securities Index (RESI), 100% hedged to NZD
Other (infrastructure)	Kernel Global Infrastructure (NZD Hedged) Fund	Kernel	3%	0% - 13%	Dow Jones Brookfield Global Infrastructure Index, 100% hedged to NZD
Total growth assets			60%		
Total assets			100%		

Currency Hedging

The following foreign currency exposure targets will apply to international assets:

- **International fixed interest** – 100% hedged to New Zealand dollars.
- **Australian equities** – unhedged. However, the underlying fund manager has the discretion to hedge the underlying fund back to New Zealand dollars.
- **International equities** – 50% hedged to New Zealand dollars. However, we may aim to add value by tactically adjusting the strategic hedging level on international shares above or below the benchmark of 50% depending on our view of how the New Zealand dollar will perform.
- **International Property** - 100% hedged to New Zealand dollars.
- **International Infrastructure** – 100% hedged to New Zealand dollars.

The Fund has a target of 22% unhedged currency exposure.

Schedule 5 – Lifetime Growth Fund

Establishment date	Description	Investment objective
22 October 2024	The Fund invests mainly in growth assets with some exposure to income assets and is expected to experience high volatility.	Seeks to track composite indices (before annual fund charge and tax), comprising: 2% S&P/NZX Bank Bills 90-Day Index; 9% Bloomberg NZ Bond Composite 0+ Yr Index; 9% Bloomberg MSCI Global Aggregate SRI Select ex-Fossil Fuels Index, 100% hedged to NZD; 14% Morningstar New Zealand (total return) Index, including imputation credits; 6% S&P/ASX 200 Accumulation Index (NZD); 45% MSCI World Index NR ex NZ, Tobacco, Controversial and Nuclear Weapons, 50% hedged to NZD; 4.5% Dow Jones Brookfield Global Infrastructure Index, 100% hedged to NZD; 6% S&P/NZX Real Estate Select Index; 4.5% Dow Jones Global Select ESG Real Estate Securities Index (RESI), 100% hedged to NZD.

Benchmark Asset Allocation, Range, and Benchmark Index (excluding transactional cash)

Asset class	Underlying fund	Underlying fund manager	Benchmark asset allocation	Maximum permitted ranges	Benchmark index
Cash and cash equivalents	Cash at Bank	Adminis	2%	0% - 12%	S&P/NZX Bank Bills 90-Day Index
	Fisher Institutional New Zealand Cash Fund	Fisher			
New Zealand fixed Interest	Fisher Institutional New Zealand Fixed Interest Fund	Fisher	9%	0% - 19%	Bloomberg NZBond Composite 0+ Yr Index
International fixed interest	Mercer Ethical Leaders Hedged Global Fixed Interest Fund	Mercer	9%	0% - 19%	Bloomberg MSCI Global Aggregate SRI Select ex-Fossil Fuels Index, 100% hedged to NZD
Total income assets			20%		
Australasian equities	Simplicity NZ Share Fund	Simplicity	14%	10% - 30%	Morningstar New Zealand (total return) Index, including imputation credits
	Mercer Macquarie Australian Shares Fund	Mercer	6%		S&P/ASX 200 Accumulation Index (in NZD)
International equities	Mercer Socially Responsible Overseas Shares Index Portfolio	Mercer	22.5%	35% - 55%	MSCI World Index NR ex NZ, Tobacco, Controversial and Nuclear Weapons, 50% hedged to NZD
	Mercer Socially Responsible Hedged Overseas Shares Index Portfolio	Mercer	22.5%		
Listed property	Kernel NZ Commercial Property Fund	Kernel	6%	0.5% - 20.5%	S&P/NZX Real Estate Select Index
	Kernel Global Green Property Fund	Kernel	4.5%		Dow Jones Global Select ESG Real Estate Securities Index (RESI), 100% hedged to NZD
Other (infrastructure)	Kernel Global Infrastructure (NZD Hedged) Fund	Kernel	4.5%	0% - 14.5%	Dow Jones Brookfield Global Infrastructure Index, 100% hedged to NZD
Total growth assets			80%		
Total assets			100%		

Currency Hedging

The following foreign currency exposure targets will apply to international assets:

- **International fixed interest** – 100% hedged to New Zealand dollars.
- **Australian equities** – unhedged. However, the underlying fund manager has the discretion to hedge the underlying fund back to New Zealand dollars.
- **International equities** – 50% hedged to New Zealand dollars. However, we may aim to add value by tactically adjusting the strategic hedging level on international shares above or below the benchmark of 50% depending on our view of how the New Zealand dollar will perform.
- **International Property** - 100% hedged to New Zealand dollars.
- **International Infrastructure** – 100% hedged to New Zealand dollars.

The Fund has a target of 28.5% unhedged currency exposure.

