

# Lifestages Investment Funds Product Disclosure Statement

As at 1 September 2023

This is a replacement product disclosure statement ("PDS")  
for the PDS dated 16 April 2021.



Lifestages is an operating division of Funds Administration New Zealand Limited ("FANZ") and the issuer of this offer. FANZ is a wholly owned subsidiary of Southland Building Society, operating as "SBS Bank". This document gives you important information about this investment to help you decide whether you want to invest. There is other useful information about this offer on [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz). FANZ has prepared this document in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial advice provider to help you to make an investment decision.



## 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”, “us”, “Manager”) 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 three 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 World Bond Portfolio	The Fund aims to provide investors with a broadly diversified portfolio of international investment grade income securities primarily through a large pool of offshore income producing investments.	LOWER RISK                      HIGHER RISK ◀ 1 2 3 4 5 6 7 ▶ POTENTIALLY LOWER RETURNS      POTENTIALLY HIGHER RETURNS	0.80% 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 portfolio of Australasian equities, either directly or indirectly via an underlying fund diversified across various sectors.	LOWER RISK                      HIGHER RISK ◀ 1 2 3 4 5 6 7 ▶ POTENTIALLY LOWER RETURNS      POTENTIALLY HIGHER RETURNS	1.20% 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 portfolio of international equities, either directly or indirectly via an underlying fund diversified across various sectors.	LOWER RISK                      HIGHER RISK ◀ 1 2 3 4 5 6 7 ▶ POTENTIALLY LOWER RETURNS      POTENTIALLY HIGHER RETURNS	1.20% 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.

## 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](http://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](http://www.lifestages.co.nz). The Manager will also give you copies of those documents on request.



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Investments in the Funds do not represent deposits or liabilities of FANZ or its parent company Southland Building Society, operating as “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. Historical returns are no guarantee of future performance. The principal and returns of the Funds (including their capital value and performance) 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 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, either directly or indirectly through other 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 actively manage your investments on a strategic basis in a responsible and environmentally friendly way. This is mixed with academically researched asset class portfolio construction and an appropriate level of risk for investors.

### Making investments

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.

You can also apply to invest in any Lifestages Investment Fund by completing all necessary documentation required by your selected custodial administration service provider. This also applies to all parties associated with entities such as trusts or companies.

See the “Other Material Information” document on the offer register at [www.disclose-register.companiesoffice.govt.nz](http://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 for that Fund adjusted for any applicable PIE tax.

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 apply to switch between any Lifestages Investment Fund by completing all necessary documentation. We strongly suggest you take the time to speak to one of our financial Advisers before switching. Where investments are made through a custodial administration service you will need to request a switch by following the process the provider of that service has. They will be able to provide you with details.

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](http://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 World Bond Portfolio	<p><b>Objective:</b> Aims to provide investors with a broadly diversified portfolio of international investment grade income securities, and 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><b>Strategy:</b> The Fund will invest primarily in a portfolio of international investment grade income securities, with a small amount held in cash.</p>	<p>5 %</p> <p>95</p> <ul style="list-style-type: none"> <li>■ Cash and cash equivalents</li> <li>■ International fixed interest</li> </ul>	<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><b>Objective:</b> Aims to achieve capital growth and returns over the long-term, and to provide a gross return above the return of the composite Australasian Equity and NZ Cash Indices with net dividends reinvested on a rolling three-year basis</p> <p><b>Strategy:</b> The Fund will invest primarily in a portfolio of New Zealand and Australian equities, diversified sectorally, with a small amount held in cash. The strategy considers both financial return and environmental, social, and governance good.</p>	<p>5 %</p> <p>95</p> <ul style="list-style-type: none"> <li>■ Cash and cash equivalents</li> <li>■ Australasian equities</li> </ul>	<p>LOWER RISK                      HIGHER RISK</p> <p>◀ 1 2 3 4 5 6 7 ▶</p> <p>POTENTIALLY LOWER RETURNS                      POTENTIALLY HIGHER RETURNS</p>	7 years



Fund name	Summary of investment objectives and investment strategies	Target investment mix	Risk indicator	Recommended minimum investment timeframe
Lifestages World Equity Portfolio	<p><b>Objective:</b> Aims to achieve capital growth and returns over the long term, and 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><b>Strategy:</b> The Fund will invest primarily in a portfolio of international equities, diversified sectorally, with a small amount held in cash. The strategy considers both financial return and environmental, social, and governance factors.</p>	<p>5 %</p> <p>95</p> <ul style="list-style-type: none"> <li>Cash and cash equivalents</li> <li>International equities</li> </ul>	<p>LOWER RISK                      HIGHER RISK</p> <p>◀ 1 2 3 4 5 6 7 ▶</p> <p>POTENTIALLY LOWER RETURNS      POTENTIALLY HIGHER RETURNS</p>	7 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 is available on the disclose Register schemes register at [www.disclose-register.companiesoffice.govt.nz](http://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.

### Responsible Investment

Our aim is to grow our members’ investment sustainably over the long term. We believe incorporating responsible investing allows us to enhance and preserve value for members. Responsible investment, including environmental, social, and governance considerations, is integrated into the investment policies and procedures of the scheme as at the date of this product disclosure statement. You can obtain an explanation of the extent to which responsible investment is taken into account in those policies and procedures at [www.lifestages.co.nz](http://www.lifestages.co.nz). We screen your investments to ensure that the following harmful practises are not invested in or are only invested in at levels that are minimised.



## 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.

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 (described under the heading “Other specific risks”).

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 30 June 2023. 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 the 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](http://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	Total annual fund charges (estimated)*
Lifestages World Bond Portfolio	0.80%
Lifestages Australasian Equity Portfolio	1.20%
Lifestages World Equity Portfolio	1.20%

\* The total estimated annual fund charges for each Fund are made up of:

- an annual management fee; and
- various administration charges.

These are described further below.

Annual administration charges include estimates of underlying fund charges. 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:** Each Fund has an annual management fee, which is used to pay for the investment management services and the administration costs of the Fund. The fee is deducted from, and reflected in the unit price, of the Funds concerned. Fees are stated inclusive of GST where applicable.

**Administration charges:** This covers expenses incurred in running the Funds (e.g. accounting, audit, and regulatory compliance costs). This also covers the Supervisor’s annual fee (for the services it provides) and an estimate of fees and expenses incurred by the underlying funds. These fees are deducted from, and reflected in the unit price of the Funds concerned.

**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](http://www.disclose-register.companiesoffice.govt.nz) for more information about fees.

#### **Example of how fees apply to an investor**

Kate invests \$10,000 in the Lifestages World Equity Portfolio. She is charged management and administration fees, which work out to be about \$120 (1.20% of \$10,000). These fees might be more or less if the value of her investment has increased or decreased over the year.

#### **Estimated total fees for the first year**

Individual action fees:	\$0
Fund charges:	\$120
Other charges:	\$0

See the latest fund updates for an example of the actual returns and fees investors were charged over the past year. This example applies only to the Lifestages World Equity. If you are considering investing in another Fund, or investment option in the scheme, this example may not be representative of the actual fees you may be charged.

#### **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](http://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](http://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](http://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 (trading as SBS Bank).

Our registered office is: c/- SBS Bank, 51 Don Street, Invercargill.

We can be contacted by:

Email to [contact@lifestages.co.nz](mailto:contact@lifestages.co.nz)

Online at [www.lifestages.co.nz](http://www.lifestages.co.nz)

Calling 0800 727 2265

Writing to PO Box 835  
Invercargill 9810

### 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	T.E.A. Custodians 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 Scheme should be directed to the CEO at:

### Funds Administration New Zealand Limited

- Email to **fanzcomplaints@sbsbank.co.nz**
- Calling **0800 727 2265**
- Writing to CEO  
Funds Administration  
New Zealand Limited  
PO Box 10445  
Wellington 6140

You can also complain to the supervisor at:

### Trustees Executors Limited

- Email to **cts@trustees.co.nz**
- Online at **www.trustees.co.nz**
- Calling **0800 878 783**
- Writing to The Client Manager  
Corporate Trustee Services  
Trustees Executors Limited  
PO Box 4197  
Auckland 1140

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

### Banking Ombudsman Scheme

- Email to **help@bankomb.org.nz**
- Calling **0800 805 950**
- Writing to Freepost 218002  
PO Box 25327  
Wellington 6146

If the Supervisor hasn't been able to resolve your complaint in a way that you think is satisfactory, you can also contact the approved independent dispute resolution scheme for the Supervisor at:

### Financial Services Complaints Limited

- Email to **complaints@fscl.org.nz**
- Calling **0800 347 257**
- Writing to PO Box 5967  
Wellington 6140

*Neither of the above schemes will charge a fee to any complainant 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](http://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](http://www.lifestages.co.nz) 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 advisers 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](http://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

You can apply to invest in any Lifestages Investment Fund by completing the application form available at [www.lifestages.co.nz](http://www.lifestages.co.nz).

You can also apply to invest in any Lifestages Investment Fund by completing all necessary documentation required by your selected custodial administration service provider.

To be eligible to apply you must be aged 18 or over and not a "reportable person" within the meaning of that expression as it is used in the Tax Administration Act 1994. Reportable persons include those individuals with an obligation to file a annual tax return in a country other than New Zealand. This also applies to all parties associated with entities such as trusts and companies.



Funds Administration New Zealand Limited  
51 Don Street, PO Box 835, Invercargill 9810. Phone 0800 727 2265