

ANNUAL REPORT

For the accounting period ended 31 December 2017

Details of Scheme

This annual report has been prepared for the Lifetime Income Fund (**Scheme**). The Manager is Lifetime Asset Management Limited (**Lifetime, We, or Us**) and the Supervisor is Public Trust.

The Scheme is an 'other' managed fund i.e. a managed fund that is not a KiwiSaver scheme, workplace savings scheme or superannuation scheme.

The latest Product Disclosure Statement (**PDS**) for the Scheme is dated 17 July 2017 and is open for applications.

The latest fund update for the Scheme's investment fund was made publicly available on 20 April 2018.

The latest financial statements for the Scheme dated 24 April 2018 and the auditor's report on those financial statements was lodged with the Registrar of Financial Service Providers on 27 April 2018. The financial statements and auditor's report are available on the Scheme Register at companiesoffice.govt.nz/disclose

Information on contributions and Scheme participants

The Scheme offered one investment fund – the Lifetime Income Fund – with two investment portfolios:

- Balanced Portfolio; and
- Cash Portfolio.

The investment fund was unchanged and there remains only one investment fund at the end of the period.

The number of units on issue for each portfolio in the investment fund were:

Lifetime Income Fund	1 January 2017	31 December 2017
Balanced Portfolio	7,317,346.62	18,196,422
Cash Portfolio	285,777.60	760,116
Total units on issue	7,603,124.21	18,956,538

Changes relating to the Scheme

Apart from the changes described below, no other material changes have occurred during the period.

Trust Deed

- The trust deed dated 12 May 2016 was amended on 17 July 2017 to allow the Manager, at its discretion, to accept joint investment by couples who are married, in a relationship in the nature of marriage, civil union, or a de facto relationship where the youngest investor is aged at least 60 and the age differential of the couple is ten years or less.

Changes to the terms of the offer

The PDS was amended on 31 May 2017 and 17 July 2017 to:

- Reflect the change to the trust deed referred to above;
- Reduce the minimum investment in the Scheme from \$100,000 down to \$25,000;
- Changing the scale for the Lifetime Withdrawal Payment Rates (**Payment Rate**) from 'five-year bandings' to 'rate for age' where the Payment Rate scale now increases 0.10% each year from age 60 (i.e. If an investor starts their income at age 65, the Payment Rate is 5.00% p.a. and the Payment Rate increases 0.10% each year their Lifetime Withdrawal Benefit is deferred up to 7.50% p.a. at age 90).

For further information please see the PDS on the offer register at companiesoffice.govt.nz/disclose

Related Party Transactions

There were no changes to the nature or scale of any related party transactions during the Year.

Other information for particular types of managed funds

The unit prices for the Scheme's two portfolios at the start and end of the period were:

Lifetime Income Fund	1 January 2017	31 December 2017
Balanced Portfolio	1.0682	1.1378
Cash Portfolio	1.0177	1.0345

Changes to persons involved in the Scheme

This table shows changes made to persons involved in the Scheme during the period ended 31 December 2017.

Person	Change
The Manager of the Scheme	None
The directors of the Manager	The following director changes occurred during the period: <ul style="list-style-type: none">• Sir Michael Cullen was appointed as a director on 10 February 2017• Rhys Gwilym resigned as a director on 1 July 2017.
Key personnel of the Manager	The following key personnel occurred during the period: <ul style="list-style-type: none">• Mark Davis, Senior Manager, was appointed on 1 March 2017• Richard Rama, Senior Manager, was appointed on 1 July 2017 and retired on 30 November 2017• Rhys Gwilym, Senior Manager, resigned on 1 July 2017.
The Supervisor of the Scheme	None
Board members of the Supervisor	The following board member changes occurred during the period: <ul style="list-style-type: none">• Ian Fitzgerald was appointed as a board member on 22 May 2017• Huei Min (Lyn) Lim completed her term as board member on 30 June 2017• Sarah Roberts completed her term as Chair and board member of the Public Trust Board on 31 August 2017• Ian Fitzgerald was appointed as Chair of the Public Trust Board on 1 September 2017.
Any administration manager or investment manager of the Scheme	None
The securities registrar, custodian, or auditor of the Scheme	None

How to find further information

Further information relating to the Scheme can be obtained free of charge from the scheme register and the offer register available at companiesoffice.govt.nz/disclose (search 'Lifetime Income Fund').

The scheme register includes the trust deed, statement of investment policy and objectives, financial statements, annual reports.

The offer register includes the PDS, other material information, material contracts and quarterly fund updates.

The above information is also available free of charge at lifetimeincome.co.nz or by contacting us at retire@lifetimeincome.co.nz

Contact details and complaints

If you have a question or complaint, please contact us. We can be contacted at:

Chief Governance Officer

Lifetime Asset Management Limited

Level 3, 120 Featherston Street

Wellington Central

Wellington 6011

Email: retire@lifetimeincome.co.nz

Phone: **0800 254 338**

You can also contact the Supervisor, Public Trust at:

General Manager, Corporate Trustee Services

Public Trust

Ground Floor, 100 Molesworth Street

Thorndon

Wellington 6140

Email: cts.enquiry@publictrust.co.nz

Phone: **0800 371 471**

If we or the Supervisor are unable to resolve your complaint, you can complain to:

Financial Services Complaints Limited

Level 4, 101 Lambton Quay

Wellington Central

Wellington 6011

Email: complaints@fscl.org.nz

Phone: **0800 347 257**

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

You may also contact MMC Limited (the securities registrar). They can be contacted at:

MMC Limited

Level 25, 125 Queen Street, Auckland

Auckland Central

Auckland 1010

Email: **registry@mmcnz.co.nz**

Phone: **(09) 309 8926**

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