

Lifetime

MASTER TRUST



5 April 2024

Lifetime Master Trust

Statement of Investment Policy and Objectives (SIPO)

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SECTION 1

Introduction

Purpose

The purpose of this statement of investment policy and objectives (**SIPO**) is to document the investment objectives, investment strategy, performance monitoring criteria and the policies and constraints to be observed in the management of the Lifetime Master Trust (the **Scheme**).

This document forms part of the governance framework for the Scheme. It identifies the responsibilities of the parties involved in the management of the Scheme's assets.

Responsibilities

Lifetime Trustee Limited (**LTL, we, us and our**) is the trustee and manager of the Scheme (**Trustee**) and is responsible for, amongst other things, the investment of the Scheme's assets.

The Trustee delegates certain of its manager functions to Lifetime Asset Management Limited (**Lifetime**) and to certain external parties in order to meet its responsibilities as manager of the Scheme. LTL is a subsidiary of Lifetime.

Lifetime is the Scheme's investment manager and investment consultant and provides investment advice to the Trustee.

Glossary

For an explanation of terms used in this SIPO, please refer to the document entitled '**Lifetime Master Trust Glossary of terms**' available at lifetimeincome.co.nz/master-trust or on the Disclose Register at disclose-register.companiesoffice.govt.nz (click 'Search for an offer' and search for Lifetime Master Trust).


SECTION 2

Description of the Scheme






The Lifetime Master Trust is a registered restricted workplace savings scheme under the Financial Markets Conduct Act 2013 (**FMCA**). It is a trust governed by a trust deed and is a defined contribution scheme.

As at the date of this SIPO, the Scheme includes 13 investment funds (**Funds**) – seven diversified funds with different levels of risk, and six single-sector funds.

The following Funds are currently available for investment by all members of the Scheme:

-  Lifetime Cash Fund
-  Lifetime Conservative Fund
-  Lifetime Balanced Fund
-  Lifetime Growth Fund
-  Lifetime Active Growth Fund
-  Lifetime Target Date 2025 Fund
-  Lifetime Target Date 2035 Fund
-  Lifetime Target Date 2045 Fund









These Funds are no longer available for members to select:

-  Lifetime NZ Bond Fund
-  Lifetime Overseas Bond Fund
-  Lifetime Property Fund
-  Lifetime Australasian Shares Fund
-  Lifetime Overseas Shares Fund

SECTION 3

Investment philosophy

Our investment philosophy is framed by a 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 members with a less volatile investment experience, while single sector funds invested mainly in growth orientated assets (like equities 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 members.
-  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 members and their investments.

SECTION 4

Investment strategy

We seek to provide members with a range of investment choices and investment management styles to enable them to choose a portfolio that suits their unique goals and needs. We do this by investing the Funds within the Scheme into a range of underlying funds.

The Scheme currently offers members a variety of diversified funds that provide exposure to a range of asset classes with varying benchmark asset allocations and ranges to provide different balances of risk and return, and one single sector fund, the Lifetime Cash Fund. While the Scheme also includes other single sector funds that provide exposure to a single asset class, these are no longer available for selection by members.

As investment manager of the Scheme, Lifetime determines and makes recommendations to us on the investment strategy, objectives and policy of each Fund and the benchmark asset allocations and ranges that reflects that strategy, objectives, and policy, and the selection of underlying funds and underlying fund managers that have adopted strategies, objectives and policies that provide the exposure required for the Funds.

Should we decide to review the strategy of a Fund, this may lead to a change in an underlying fund manager, asset allocation or underlying fund. This may mean the Fund's investment strategy, and possibly underlying fund manager, temporarily differs from that stated in the SIPO during the transition to the revised arrangement.

Fund investment strategies

The investment strategy for each Fund, including benchmark asset allocations and ranges are set out in the Schedules.

Permitted investments

Underlying fund managers used by the Scheme may invest in a broad range of equities (also known as shares), fixed interest investments, listed and unlisted property trusts, cash instruments and managed funds. Securities held by underlying fund managers (or their 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:

- 🌿 Fisher Funds Management Limited (**Fisher**)
- 🌿 Kernel Wealth Limited (**Kernel**)
- 🌿 Mercer (N.Z.) Limited (**Mercer**)
- 🌿 Milford Funds Limited (**Milford**)
- 🌿 Simplicity NZ Limited (**Simplicity**)

Underlying fund managers may appoint a different investment manager to make the decisions about what their underlying fund invests in. Mercer has appointed:

1. Macquarie Investment Management Global Limited (**Macquarie**) as investment manager of the Mercer Macquarie Australian Shares Fund;
2. UBS Asset Management (Australia) Ltd (**UBS**) as investment manager of the Mercer Ethical Leaders Hedged Global Fixed Interest Fund; and
3. Legal & General Investment Management (**Legal & General**) as the investment manager of the Mercer Socially Responsible Overseas Shares Index Portfolio and the Mercer Socially Responsible Hedged Overseas Shares Index Portfolio.

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.

SECTION 5

Investment objectives

Scheme objective

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

Fund investment objectives

We aim to achieve the Scheme objective through the individual investments strategies of each Fund which are set out in the Schedules.

SECTION 6

Investment policies

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, and 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 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 members;
- whether the breach involves related party transactions;
- whether the breach is an isolated incident, or part of a recurring pattern of breaches;
- 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 (**FMCR**), we are required to provide a Limit Break Report for the Scheme to the FMA annually within 15 working days after the Scheme's balance date. However, if a limit break occurs during a quarter, we are required to provide the FMA with a limit break report within 15 working days of the end of that quarter. The information required to be included in the limit break report is as prescribed in the FMCR.

Currency hedging policy and monitoring process

Hedging may be used by the Scheme 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 that is implemented within the underlying funds by the underlying fund managers.

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 equities above or below the benchmark of 50% depending on our view of how the New Zealand dollar will perform.

The Fund will (or will invest in underlying funds that will) monitor any currency hedging levels regularly.

Tactical asset allocation policy

Based on the recommendations from the 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.

Liquidity and cash management policy

Within each Fund, we aim to ensure sufficient assets are held in readily marketable securities (cash and listed securities) so that there is adequate liquidity to meet benefit payments as they fall due.

Each Fund may hold a small amount of cash for investor transactions and operational purposes. This is in addition to the permitted investments invested in by the underlying fund manager.

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.

Where we have adopted a derivatives policy, this is implemented within the underlying funds by the underlying fund managers.

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's benchmark and invested within the permitted ranges.

Credit risk management policy

Lifetime is required to select underlying fund managers with diversified fixed interest portfolios.

Pricing/valuation policies

The assets of the Scheme are valued by an independent external party, Adminis 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 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, New Zealand and International Financial Reporting Standards, and 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.

Conflicts of interest/related party transactions policy

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

The Scheme uses a related party, Lifetime, to provide investment management and investment consulting services. Related party services are provided on an arm's length basis and on normal commercial terms in accordance with the rules on related party transactions that apply to managed investment schemes (including restricted schemes) under the FMCA.

Responsible investment policy

We believe that over the long term, companies with strong environmental, social and governance (**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.

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

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

SECTION 7

Performance and compliance monitoring

Performance monitoring

The investment performance of the Funds is measured each working day as part of the unit pricing process, and forms the basis for the performance calculations. Lifetime measures performance for each Fund on a before-fees and before-tax basis, an after-fees and before-tax basis, and an after-fees and after-tax (at the highest PIR) basis.

Lifetime monitors the investment performance of the Funds towards their long-term objectives and the performance of the underlying fund managers 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 each Fund's objectives and a relevant market index or composite index (as applicable).

Investment objectives - sectors

As part of the overall understanding of performance, monitoring of individual asset classes is also undertaken.

The individual asset classes are monitored against the following targets and market indices:

Sector	Target	Market index
Cash and Cash Equivalents	Market index	S&P/NZX Bank Bills 90-Day Index
New Zealand Fixed Interest	Market index	Bloomberg NZBond Composite 0+ Yr Index
International Fixed Interest	Market index	Bloomberg MSCI Global Aggregate SRI Select ex-Fossil Fuels Index, 100% hedged to NZD
Australasian Equities	Market index	Morningstar New Zealand (total return) Index, including imputation credits S&P/ASX 200 Accumulation Index (NZD)
International Equities	Market index	MSCI World Index NR ex NZ, Tobacco, Controversial and Nuclear Weapons, 50% Hedged in NZD
Listed Property	Market index	S&P/NZX Real Estate Select Index

The above targets and market indices may differ from those used by the underlying fund managers.

Compliance monitoring

The Trustee has overall responsibility for ensuring a SIPO is in place and complied with. Lifetime monitors underlying fund manager compliance with the SIPO.

The Trustee will notify the FMA of any limit breaks in accordance with the requirements of the FMCR.

Lifetime will report:

- Performance against the SIPO to the Trustee on a regular basis.
- Any breaches of this SIPO to the Trustee as soon as Lifetime becomes aware of them.
- Any proposed changes to the SIPO or non-compliance with the SIPO to the Trustee.

SECTION 8

Investment strategy review

Lifetime oversees the development, implementation, monitoring and performance of the investment strategy of the Funds within the Scheme and recommends the inclusion or removal of underlying fund managers and underlying funds to the Trustee.

Investment strategy reviews for each Fund are normally carried out on a bi-annual basis or when market conditions warrant it. This includes a strategic asset allocation review of each Fund in order to set what Lifetime and the Trustee 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.

Lifetime 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.

SECTION 9

SIPO review

This SIPO will be reviewed at least annually.

An ad-hoc review may be initiated if the Trustee deems it to be appropriate as a result of factors such as changes in investment strategy or investment policies.

The Trustee is responsible for the SIPO and for ensuring that the SIPO is adhered to.

Lifetime is responsible for managing the SIPO review process. The reviews will take into account all matters Lifetime considers relevant at their discretion, including whether any changes are needed to the investment strategy, the underlying fund managers, the underlying funds or to investment policies. The reviews will also take

into account the legislative requirements and the Financial Markets Authority's (FMA) SIPO guidelines applicable at the time.

Any changes to the SIPO are approved by the Trustee and are subject to the restrictions (if any) contained in the Trust Deed. Any material changes will be detailed in the Scheme's annual report.

The Lifetime Master Trust's latest SIPO is available on the scheme register on the Disclose Register at disclose-register.companiesoffice.govt.nz (click 'Search for a scheme' and search for Lifetime Master Trust).

SECTION 10

Market indices

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

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

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

The links below may change from time to time.

Asset Class	Market index	Where to find more information
Cash and Cash Equivalents	S&P/NZX Bank Bills 90-Day Index	spglobal.com/spdji/en
New Zealand Fixed Interest	Bloomberg NZBond Composite 0+ Yr Index	bloomberg.com/professional/product/indices
International Fixed Interest	Bloomberg MSCI Global Aggregate SRI Select ex-Fossil Fuels Index, 100% hedged to NZD	bloomberg.com/professional/product/indices
Australasian Equities	Morningstar New Zealand (total return) Index, including imputation credits S&P/ASX 200 Accumulation Index (NZD)	indexes.morningstar.com/our-indexes spglobal.com/spdji/en
International Equities	MSCI World Index NR ex NZ, Tobacco, Controversial and Nuclear Weapons, 50% Hedged in NZD	msci.com/our-solutions/indexes
Listed Property	S&P/NZX Real Estate Select Index	spglobal.com/spdji/en





Schedules

Fund options available to members

The following Funds are currently available for investment by all members of the Scheme:

Schedule 1 – Lifetime Cash fund

Investment objective

Seeks to track the S&P/NZX Bank Bills 90-Day Index (before annual fund charge and tax).

Investment strategy

The Fund will invest in cash through investing in an underlying fund to provide exposure. Transactional cash may be held for operational purposes.

At the date of this SIPO, the Fund invests 100% into the Fisher Institutional New Zealand Cash Fund.

Underlying Fund	Underlying Fund Manager	Investment Manager
Fisher Institutional New Zealand Cash Fund	Fisher	Fisher

The assets of the Fund (excluding transactional cash) will be invested in the underlying fund to provide exposure within the investment range set out below:

Asset Class	Benchmark Asset Allocation %	Range %	Benchmark Index
Cash and Cash Equivalents	100%	100%	S&P/NZX Bank Bills 90-Day Index
Total Income Assets	100%		

Schedule 2 – Lifetime Conservative Fund

Investment objective

Seeks to track composite indices (before annual fund charge and tax), comprising:

10%	S&P/NZX Bank Bills 90-Day Index
35%	Bloomberg NZBond Composite 0+ Yr Index
35%	Bloomberg MSCI Global Aggregate SRI Select ex-Fossil Fuels Index, 100% hedged to NZD
2%	Morningstar New Zealand (total return) Index, including imputation credits
2%	S&P/ASX 200 Accumulation Index (NZD)
5.5%	MSCI World Index NR ex NZ, Tobacco, Controversial and Nuclear Weapons
5.5%	MSCI World Index NR ex NZ, Tobacco, Controversial and Nuclear Weapons, 100% hedged to NZD
5%	S&P/NZX Real Estate Select Index

Investment strategy

The Fund will invest in the asset classes listed in the table below through investing in underlying funds to provide exposure to the asset classes listed. Transactional cash may be held for operational purposes.

At the date of this SIPO, the Fund invests into single-sector funds managed by the underlying fund managers listed in the table below:

Underlying Funds	Underlying Fund Managers	Investment Managers
Fisher Institutional New Zealand Cash Fund	Fisher	Fisher
Fisher Institutional New Zealand Fixed Interest Fund	Fisher	Fisher
Mercer Ethical Leaders Hedged Global Fixed Interest Fund	Mercer	UBS
Simplicity NZ Share Fund	Simplicity	Simplicity
Mercer Macquarie Australian Shares Fund	Mercer	Macquarie
Mercer Socially Responsible Overseas Shares Index Portfolio	Mercer	Legal & General
Mercer Socially Responsible Hedged Overseas Shares Index Portfolio	Mercer	Legal & General
Kernel NZ Commercial Property Fund	Kernel	Kernel

The assets of the Fund (excluding transactional cash) will be invested in underlying funds that provide exposure within the investment range set out below:

Asset Class	Benchmark Asset Allocation %	Range %	Benchmark Index
Cash and Cash Equivalents	10%	0 - 20%	S&P/NZX Bank Bills 90-Day Index
New Zealand Fixed Interest	35%	25% - 45%	Bloomberg NZBond Composite 0+ Yr Index
International Fixed Interest	35%	25% - 45%	Bloomberg MSCI Global Aggregate SRI Select ex-Fossil Fuels Index, 100% hedged to NZD
Total Income Assets	80%		
Australasian Equities	4%	0 - 14%	50% Morningstar New Zealand (total return) Index, including imputation credits 50% S&P/ASX 200 Accumulation Index (NZD)
International Equities (hedged & unhedged)	11%	6% - 16%	MSCI World Index NR ex NZ, Tobacco, Controversial and Nuclear Weapons, 50% hedged to NZD
Listed Property	5%	0 - 10%	S&P/NZX Real Estate Select Index
Total Growth Assets	20%		

Schedule 3 - Lifetime Balanced Fund

Investment objective

Seeks to track composite indices (before annual fund charge and tax), comprising:

5%	S&P/NZX Bank Bills 90-Day Index
17.5%	Bloomberg NZBond Composite 0+ Yr Index
17.5%	Bloomberg MSCI Global Aggregate SRI Select ex-Fossil Fuels Index, 100% hedged to NZD
7.5%	Morningstar New Zealand (total return) Index, including imputation credits
7.5%	S&P/ASX 200 Accumulation Index (NZD)
17.5%	MSCI World Index NR ex NZ, Tobacco, Controversial and Nuclear Weapons
17.5%	MSCI World Index NR ex NZ, Tobacco, Controversial and Nuclear Weapons, 100% hedged to NZD
10%	S&P/NZX Real Estate Select Index

Investment strategy

The Fund will invest in the asset classes listed in the table below through investing in underlying funds to provide exposure to the asset classes listed. Transactional cash may be held for operational purposes.

At the date of this SIPO, the Fund invests into single-sector funds managed by the underlying fund managers listed in the table below:

Underlying Funds	Underlying Fund Managers	Investment Managers
Fisher Institutional New Zealand Cash Fund	Fisher	Fisher
Fisher Institutional New Zealand Fixed Interest Fund	Fisher	Fisher
Mercer Ethical Leaders Hedged Global Fixed Interest Fund	Mercer	UBS
Simplicity NZ Share Fund	Simplicity	Simplicity
Mercer Macquarie Australian Shares Fund	Mercer	Macquarie
Mercer Socially Responsible Overseas Shares Index Portfolio	Mercer	Legal & General
Mercer Socially Responsible Hedged Overseas Shares Index Portfolio	Mercer	Legal & General
Kernel NZ Commercial Property Fund	Kernel	Kernel

The assets of the Fund (excluding transactional cash) will be invested in underlying funds that provide exposure within the investment range set out below:

Asset Class	Benchmark Asset Allocation %	Range %	Benchmark Index
Cash and Cash Equivalents	5%	0 - 15%	S&P/NZX Bank Bills 90-Day Index
New Zealand Fixed Interest	17.5%	12.5% - 22.5%	Bloomberg NZBond Composite 0+ Yr Index
International Fixed Interest	17.5%	12.5% - 22.5%	Bloomberg MSCI Global Aggregate SRI Select ex-Fossil Fuels Index, 100% hedged to NZD
Total Income Assets	40%		
Australasian Equities	15%	5% - 25%	50% Morningstar New Zealand (total return) Index, including imputation credits 50% S&P/ASX 200 Accumulation Index (NZD)
International Equities (hedged & unhedged)	35%	25% - 45%	MSCI World Index NR ex NZ, Tobacco, Controversial and Nuclear Weapons, 50% hedged to NZD
Listed Property	10%	5% - 15%	S&P/NZX Real Estate Select Index
Total Growth Assets	60%		

Schedule 4 – Lifetime Growth Fund

Investment objective

Seeks to track composite indices (before annual fund charge and tax), comprising:

- 10% **Bloomberg NZBond Composite O+ Yr Index**
- 10% **Bloomberg MSCI Global Aggregate SRI Select ex-Fossil Fuels Index, 100% hedged to NZD**
- 10% **Morningstar New Zealand (total return) Index, including imputation credits**
- 10% **S&P/ASX 200 Accumulation Index (NZD)**
- 22.5% **MSCI World Index NR ex NZ, Tobacco, Controversial and Nuclear Weapons**
- 22.5% **MSCI World Index NR ex NZ, Tobacco, Controversial and Nuclear Weapons, 100% hedged to NZD**
- 15% **S&P/NZX Real Estate Select Index**

Investment strategy

The Fund will invest in the asset classes listed in the table below through investing in underlying funds to provide exposure to the asset classes listed. Transactional cash may be held for operational purposes.

At the date of this SIPO, the Fund invests into single-sector funds managed by the underlying fund managers listed in the table below:

Underlying Funds	Underlying Fund Managers	Investment Managers
Fisher Institutional New Zealand Cash Fund	Fisher	Fisher
Fisher Institutional New Zealand Fixed Interest Fund	Fisher	Fisher
Mercer Ethical Leaders Hedged Global Fixed Interest Fund	Mercer	UBS
Simplicity NZ Share Fund	Simplicity	Simplicity
Mercer Macquarie Australian Shares Fund	Mercer	Macquarie
Mercer Socially Responsible Overseas Shares Index Portfolio	Mercer	Legal & General
Mercer Socially Responsible Hedged Overseas Shares Index Portfolio	Mercer	Legal & General
Kernel NZ Commercial Property Fund	Kernel	Kernel

The assets of the Fund (excluding transactional cash) will be invested in underlying funds that provide exposure within the investment ranges set out below:

Asset Class	Benchmark Asset Allocation %	Range %	Benchmark Index
Cash and Cash Equivalents	0%	0 - 10%	S&P/NZX Bank Bills 90-Day Index
New Zealand Fixed Interest	10%	5% - 15%	Bloomberg NZBond Composite O+ Yr Index
International Fixed Interest	10%	5% - 15%	Bloomberg MSCI Global Aggregate SRI Select ex-Fossil Fuels Index, 100% hedged to NZD
Total Income Assets	20%		
Australasian Equities	20%	10% - 30%	50% Morningstar New Zealand (total return) Index, including imputation credits 50% S&P/ASX 200 Accumulation Index (NZD)
International Equities (hedged & unhedged)	45%	35% - 55%	MSCI World Index NR ex NZ, Tobacco, Controversial and Nuclear Weapons, 50% hedged to NZD
Listed Property	15%	10% - 20%	S&P/NZX Real Estate Select Index
Total Growth Assets	80%		

Schedule 5 – Lifetime Active Growth Fund

Investment objective

To provide annual returns of 10% after the base fund fee* but before tax and before the performance fee, over the minimum recommended investment timeframe.:

Investment strategy

The Fund will invest in the asset classes listed in the table below through investing in an underlying fund(s) to provide exposure to the asset classes listed. Transactional cash may be held for operational purposes.

At the date of this SIPO, the Fund invests 100% into the Milford Active Growth Fund.

Underlying Fund	Underlying Fund Manager	Investment Manager
Milford Active Growth Fund	Milford	Milford

The assets of the Fund (excluding transactional cash) will be invested in the underlying fund to provide exposure within the investment ranges set out below:

Asset Class	Benchmark Asset Allocation %	Range %
Cash and Cash Equivalents	6%	-10% - 70%
New Zealand Fixed Interest	2%	0% – 70%
International Fixed Interest	14%	-10% – 50%
Total Income Assets	22%	-10% – 80%
Australasian Equities	30%	10% – 90%
International Equities	48%	0 – 70%
Listed Property	0	0 – 20%
Unlisted Property	0	0 – 15%
Commodities	0	-10% – 10%
Other	0	-20% – 20%
Total Growth Assets	78%	20% – 110%

*The base fund fee covers costs such as investment management, supervisor, custodial, fund accounting, audit and legal costs, and the estimated underlying external fund charges, where applicable.

Schedule 6 – Lifetime Target Date Funds

The Target Date Funds are a series of diversified portfolios designed to simplify the asset allocation process for members over time. The date in each Fund name represents the approximate retirement year. Each Fund invests in a mix of growth and income assets with the allocation to income assets increasing progressively until it reaches 80% in the target date year.

The target mixes of the Target Date Funds are reviewed annually.

Investment objectives for each Fund

To provide returns over time in excess of inflation and capital growth and income consistent with its current asset allocation.

Seeks to track composite indices (before annual fund charge and tax). See the benchmark asset allocation below.

Investment strategy for each Fund

Each Fund will invest in the asset classes listed in the table below through investing in underlying funds to provide exposure to the asset classes listed. Transactional cash may be held for operational purposes.

At the date of this SIPO, the Funds (excluding transactional cash) invest into single sector funds managed by the underlying fund managers listed in the table below:

Underlying Funds	Underlying Fund Managers	Investment Managers
Fisher Institutional New Zealand Cash Fund	Fisher	Fisher
Fisher Institutional New Zealand Fixed Interest Fund	Fisher	Fisher
Mercer Ethical Leaders Hedged Global Fixed Interest Fund	Mercer	UBS
Simplicity NZ Share Fund	Simplicity	Simplicity
Mercer Macquarie Australian Shares Fund	Mercer	Macquarie
Mercer Socially Responsible Overseas Shares Index Portfolio	Mercer	Legal & General
Mercer Socially Responsible Hedged Overseas Shares Index Portfolio	Mercer	Legal & General
Kernel NZ Commercial Property Fund	Kernel	Kernel

The benchmark asset allocation of each Fund at the date of this SIPO are set out below:

Asset Class	Target Date 2025	Target Date 2035	Target Date 2045	Benchmark Index
Cash and Cash Equivalents	9.50%	6.10%	2.90%	S&P/NZX Bank Bills 90-Day Index
New Zealand Fixed Interest	33.75%	25.25%	17.25%	Bloomberg NZ Bond Composite 0+ Yr Index
International Fixed Interest	33.75%	25.25%	17.25%	Bloomberg MSCI Global Aggregate SRI Select ex-Fossil Fuels Index, 100% hedged to NZD
Total Income Assets	77.00%	56.60%	37.40%	
Australasian Equities	4.80%	10.24%	15.36%	50% Morningstar New Zealand (total return) Index, including imputation credits 50% S&P/ASX 200 Accumulation Index (NZD)
International Equities (hedged and unhedged)	12.70%	24.26%	35.14%	MSCI World Index NR ex NZ, Tobacco, Controversial and Nuclear Weapons, 50% hedged to NZD
Listed Property	5.50%	8.90%	12.10%	S&P/NZX Real Estate Select Index
Total Growth Assets	23.00%	43.40%	62.60%	

The permitted range for each sector is +/- 10% to the sector weighting.

Schedules

Closed Funds

The following Funds are closed to new investors and no longer available for members to select.

Schedule 1 – Lifetime NZ Bond fund

Investment objective

Seeks to track (before annual fund charge and tax) the Bloomberg NZBond Composite O+ Yr Index.

Investment strategy

The Fund will invest in New Zealand fixed Interest through investing in an underlying fund to provide exposure. Transactional cash may be held for operational purposes.

At the date of this SIPO, the Fund invests 100% into the Fisher Institutional New Zealand Fixed Interest Fund.

Underlying Fund	Underlying Fund Manager	Investment Manager
Fisher Institutional New Zealand Bond Fund	Fisher	Fisher

The assets of the Fund (excluding transactional cash) will be invested in the underlying fund to provide exposure within the investment ranges set out below:

Asset Class	Benchmark Asset Allocation %	Range %	Benchmark Index
Cash and Cash Equivalents	0%	0% - 10%	Bloomberg NZBond Composite O+ Yr Index
New Zealand Fixed Interest	100%	90% - 100%	
Total Income Assets	100%		

Schedule 2 – Lifetime Overseas Bond Fund

Investment objective

Seeks to track (before annual fund charge and tax) the Bloomberg MSCI Global Aggregate SRI Select ex-Fossil Fuels Index, 100% hedged in NZD.

Investment strategy

The Fund will invest in international fixed interest through investing in an underlying fund to provide exposure. Transactional cash may be held for operational purposes.

At the date of this SIPO, the Fund invests 100% into the Mercer Ethical Leaders Hedged Global Fixed Interest Fund.

Underlying Fund	Underlying Fund Manager	Investment Manager
Mercer Ethical Leaders Hedged Global Fixed Interest Fund	Mercer	UBS

The assets of the Fund (excluding transactional cash) will be invested in the underlying fund to provide exposure within the investment ranges set out below:

Asset Class	Benchmark Asset Allocation %	Range %	Benchmark Index
Cash and Cash Equivalents	0%	0 - 10%	Bloomberg MSCI Global Aggregate SRI Select ex-Fossil Fuels Index, 100% hedged to NZD
International Fixed Interest	100%	90% - 100%	
Total Income Assets	100%		

Schedule 3 – Lifetime Property fund

Investment objective

Seeks to track (before annual fund charge and tax) the S&P/NZX Real Estate Select Index.

Investment strategy

The Fund will invest in listed property through investing in an underlying fund to provide exposure. Transactional cash may be held for operational purposes.

At the date of this SIPO, the Fund invests 100% into the Kernel NZ Commercial Property Fund.

Underlying Fund	Underlying Fund Manager	Investment Manager
Kernel NZ Commercial Property Fund	Kernel	Kernel

The assets of the Fund (excluding transactional cash) will be invested in the underlying fund to provide exposure within the investment ranges set out below:

Asset Class	Benchmark Asset Allocation %	Range %	Benchmark Index
Cash and Cash Equivalents	0%	0 - 10%	S&P/NZX Real Estate Select Index.
Listed Property	100%	90% - 100%	
Total Growth Assets	100%		

Schedule 4 – Lifetime Australasian Shares Fund

Investment objective

Seeks to track composite indices (before annual fund charge and tax), comprising:

70% Morningstar New Zealand (total return) Index, including imputation credits.

30% S&P/ASX 200 Accumulation Index (NZD)

Investment strategy

The Funds will invest in Australasian equities through investing in underlying funds to provide exposure. Transactional cash may be held for operational purposes.

At the date of this SIPO, the Fund invests single-sector funds managed by the underlying fund managers listed in the table below:

Underlying Funds	Underlying Fund Managers	Investment Managers
Simplicity NZ Share Fund	Simplicity	Simplicity
Mercer Macquarie Australian Shares Fund	Mercer	Macquarie

The assets of the Funds (excluding transactional cash) will be invested in underlying funds that provide exposure within the investment ranges set out below:

Asset Class	Benchmark Asset Allocation %	Range %	Benchmark Index
Cash and Cash Equivalents	0%	0 - 10%	Morningstar New Zealand (total return) Index, including imputation credits.
New Zealand Equities	70%	60% - 80%	
Total New Zealand Assets	70%		
Australian Equities	30%	20% - 40%	S&P/ASX 200 Accumulation Index (NZD)
Total Australian Assets	30%		
Total Growth Assets	100%		

Schedule 5 – Lifetime Overseas Shares Fund

Investment objective

Seeks to track (before annual fund charge and tax) the MSCI World Index NR ex NZ, Tobacco, Controversial and Nuclear Weapons, 50% hedged to NZD.

Investment strategy

The Fund will invest in international equities through investing in underlying funds that provide exposure. Transactional cash may be held for operational purposes.

At the date of this SIPO, the Fund invests 100% into the Mercer Socially Responsible Overseas Shares Index Portfolios (50% hedged).

Underlying Funds	Underlying Fund Managers	Investment Managers
Mercer Socially Responsible Overseas Shares Index Portfolio	Mercer	Legal & General
Mercer Socially Responsible Hedged Overseas Shares Index Portfolio	Mercer	Legal & General

The assets of the Fund (excluding transactional cash) will be invested in underlying funds that provide exposure within the investment ranges set out below:

Asset Class	Benchmark Asset Allocation %	Range %	Benchmark Index
Cash and Cash Equivalents	0%	0 - 10%	MSCI World Index NR ex NZ, Tobacco, Controversial and Nuclear Weapons, 50% hedged to NZD
International Equities	100%	90% - 100%	
Total Growth Assets	100%		



CONTACT US

Our helpdesk staff are available to assist you with any queries. Please note that our contact centre staff are not able to provide you with financial advice.

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