



10 July 2020

## Product Disclosure Statement

### Lifetime Income Fund

This document replaces the product disclosure statement dated 23 March 2020.

Issued by Lifetime Asset Management Limited. 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 **disclose-register.companiesoffice.govt.nz**. Lifetime has prepared this document in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial adviser to help you to make an investment decision.

# 1. Key information summary

## What is this?

This is a managed investment scheme designed to enable you to receive an income for life, even after your original investment runs out. Your money will be pooled with other investors' money and invested in various investments. Lifetime Asset Management Limited (**Lifetime, we, us, or our**) will invest your money and charge you a fee for its services.

The Regular Income you'll receive is insured and protected against the volatility of uncertain financial markets and the possibility of you outliving your original investment. The returns of the Lifetime Income Fund (**Fund**) are dependent on the investment decisions of Lifetime and its investment managers 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?

<b>Fund name</b>	<b>Lifetime Income Fund</b>
<b>Investment Objective</b>	Invests primarily in diversified index funds with underlying exposure to international and Australasian equities and fixed interest. The Fund may invest in unlisted New Zealand residential property (Unlisted Property) (however at the date of this document, is not currently invested in this sector). The Fund uses a risk management overlay that's designed to manage market volatility and preserve the value of your money. The Fund's investment objective is to preserve capital to support the provision of retirement income for life, delivering a target return of 5.00% per-annum (before taxes and fees) and limit average annualised volatility to no more than 6.00% over the long-term. To provide you with your Regular Income (after your original investment runs out), we've arranged a separate insurance policy. This <b>Insurance Policy</b> is provided by Lifetime Income Limited ( <b>the Insurer</b> ), a related party insurance company licensed by the Reserve Bank of New Zealand.
<b>Risk Indicator</b>  The risk indicator doesn't include the Insurance Policy we've used to underwrite your Regular Income which is a significant feature of the Fund	<div><div>Potentially lower returns</div><div>Potentially higher returns</div></div> <div><div>1</div><div>2</div><div>3</div><div>4</div><div>5</div><div>6</div><div>7</div></div> <div><div>Lower risk</div><div>Higher risk</div></div> <p>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 or work out your risk profile at <a href="https://sorted.org.nz/tools/investor-kickstarter">sorted.org.nz/tools/investor-kickstarter</a></p>

<b>Total Annual Fund Charge</b> Per-annum estimate of the net asset value of the Fund	1.27%
<b>Insurance Policy premium</b> Per-annum of your Protected Income Base	1.35% (single investment) or 1.75% (joint investment)
<b>Buy/Sell Spread</b>	0.125%



## Who manages the Lifetime Income Fund?

Lifetime is the Manager of the Fund. See Section 7 'Who is involved?' for more information.

## How can you get your money out?

You can choose to start receiving your Regular Income (either fortnightly or monthly) at any time after you (and your partner, in the case of a joint investment) are aged between 60 and 90 (or at an age outside this range if we expressly agree this with you). You may also, at any time, request the lump sum withdrawal of some or all of your current interest in the Fund, being the value of your account balance at that time less any fees, expenses and tax owing.

### Regular Income

Your Regular Income is calculated as a percentage of your Protected Income Base based on the quoted Income Rate you received from us.

Initially, your Protected Income Base is your total investment in the Fund. Each year, we'll check whether the total value of your account balance in the Fund exceeds your Protected Income Base. If it does, we'll increase your Protected Income Base to match your current account balance, which in turn will increase your Regular Income.

Because your Regular Income is protected by the Insurance Policy, you'll receive your Regular Income regardless of the investment performance of the Fund.

### Full and Partial Withdrawals

Your investment in the Fund can't be sold or transferred to anyone else. However, you may also, at any time, request the lump sum withdrawal of some or all of your current interest in the Fund (being the value of your account balance at that time less any fees, expenses and tax owing).

If you make a full withdrawal you won't receive the benefit of the Insurance Policy and the premiums you've paid won't be refunded. If you make a partial withdrawal, your Protected Income Base and Income Payment amounts will be recalculated and will reduce accordingly.

We can suspend withdrawals in certain circumstances.

See Section 2 'How does this investment work?' for further details.

## How will your investment be taxed?

The Fund 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**). This can be 10.5%, 17.5% or 28%. See Section 6 'What taxes will you pay?' on page 13 for more information.

## Where can you find more key information?

We're required to publish quarterly updates for the Fund. The updates show the returns, and the total fees actually charged to investors, during the previous year. The latest fund update is available at **lifetimeincome.co.nz**. We'll also give you copies of those documents on request.



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## 2. How does this investment work?

The Fund is designed to help you turn your investment into a regular income that will last the rest of your life, even if your original investment runs out.

When you choose to invest in the Fund a Protected Income Base is established. You are quoted an Income Rate, which calculates your Regular Income off your Protected Income Base. You can then choose to start receiving your Regular Income (either fortnightly or monthly) at any time after you (and your partner, in the case of a joint investment) are aged between 60 and 90 (or at an age outside this range if we expressly agree this with you).

**The current Income Rates for each age that will apply from time to time are set out in the 'Other Material Information' document which is available on our website and on the Offer Register at [disclose-register.companiesoffice.govt.nz](https://disclose-register.companiesoffice.govt.nz)**

The Income Rates you will receive depend upon the age when you will start Regular Income payments. The Income Rates themselves are set and calculated, based on a number of factors that include your age, estimated mortality, expected investment returns, and regulatory capital requirements. Accordingly, the Income Rates on offer will change from time to time.

Your Regular Income is made via electronic transfer to your nominated New Zealand bank account. Payments will only be made to New Zealand bank accounts.

On each anniversary of your initial investment, we'll check whether the total value of your account balance in the Fund exceeds your Protected Income Base. If it does, we'll increase your Protected Income Base to match your account balance in the Fund, which in turn will increase your Regular Income.

This means your Protected Income Base may rise due to positive investment returns. Importantly your Protected Income Base will never fall (even if the total value of your account balance in the Fund is lower than your Protected Income Base), unless you choose to make a lump sum withdrawal (as distinct from withdrawals made to pay your Regular Income).

Your Regular Income is insured with the Insurer, a related party insurance company, licensed by the Reserve Bank of New Zealand. The group Insurance Policy that insures your Regular Income, is held by Public Trust, for and on behalf of all investors in the Fund. **For more information applicable to insurance and the Insurer, see the group Insurance Policy document and the "Insurance" section of the "Other Material Information" document on the Offer Register at [disclose-register.companiesoffice.govt.nz](https://disclose-register.companiesoffice.govt.nz).**

The Fund invests your money in:

- diversified index funds managed by experienced investment managers (Vanguard Asset Management Limited and Harbour Asset Management Limited); and
- Cash and cash equivalents, including currency forward contracts.

The Fund may also invest your money in Unlisted Property assets. It is intended that with effect from late 2020 this will be through a pooled investment fund established and managed by the Manager.

Because your Regular Income is insured, you will receive your income for life regardless of the investment performance of the Fund.

Key Terms	Meaning
Regular Income	The income payments paid to an investor usually on a fortnightly basis and at any time from age 60, during either the Protected Income Phase or the Insured Income Phase.
Income Rate	The rate used to calculate your Regular Income. It represents a percentage of your Protected Income Base and is based on your age when you start your Regular Income. It is quoted as a net income rate i.e. after fees and tax.
Protected Income Base	When you invest, you're given a protected income base. This is set to the value of your initial investment and is the base your income is calculated from. If your account balance goes up due to returns received on your investment, then your protected income base will be increased accordingly at the annual review. Importantly it will never fall unless you choose to make a withdrawal.



There are two phases to your investment in the Fund:

### Protected Income Phase

Your Protected Income Phase begins on the date your first Regular Income is paid and continues until your account balance in the Fund falls to \$0.00.

The Regular Income you receive during this phase is paid by making deductions from your account balance in the Fund.

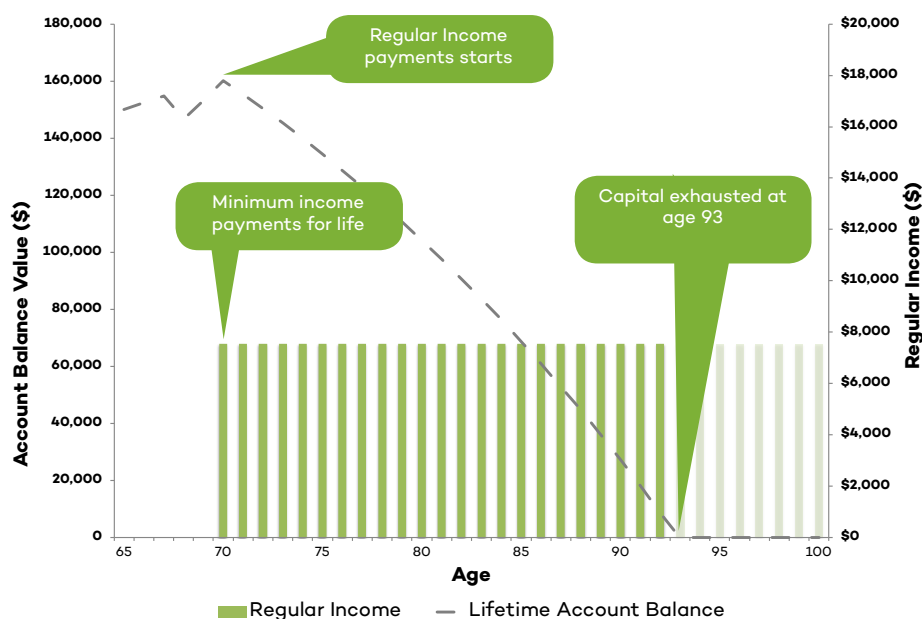
### Insured Income Phase

Your Insured Income Phase begins on the date your balance in the Fund falls to \$0.00.

Payments during this phase are made by the Insurer and continue for life. Accordingly, no further Insurance Policy premiums will be payable by the Investor during this phase.

## Example - How the Fund works

Peter invests in the Fund at age 65 with an initial investment of \$150,000. He chooses to start receiving his Regular Income at age 70. This graph shows Peter's Regular Income and investment movements over his life.



**This graph is for illustration purposes only and shouldn't be regarded as a forecast for your investment, future performance, income payments or current Income Rates.** An assumption of 5.00% gross return (before fees, taxes and insurance premiums have been deducted) has been made over future investment returns of the Fund. Fees, taxes and insurance premiums are as detailed in Section 5 'What are the fees?'. Different assumptions will produce different outcomes. For example, if the investment returns are higher than those used in the graph it will take longer for the account balance to run out. Conversely, if the investment returns are lower the account balance will run out earlier.

The current Income Rates for each age that will apply from time to time are set out in the 'Other Material Information' document which is available on our website and on the Offer Register at [disclose-register.companiesoffice.govt.nz](https://disclose-register.companiesoffice.govt.nz).

Age	Description
65	Peter made his initial investment of \$150,000 in the Fund. He chooses to defer his Regular Income until aged 70. His Protected Income Base at age 65 is \$150,000. We review Peter's Protected Income Base annually. Given the net positive investment returns over five years, Peter's Protected Income Base has grown to \$160,228.18 at age 70.
70	At 70, Peter's Protected Income Base has increased to \$160,228.18. Peter chooses to start receiving his Regular Income at 70. Lifetime calculates his Regular Income using his Protected Income Base of \$160,228.18 and his quoted Income Rate of 4.70%*. Peter now receives a Regular Income of \$7,530.72 per annum or \$289.64 per fortnight, for life.
93	Peter's initial investment has run out, but he'll continue to receive his Regular Income until he dies because his Regular Income is insured.

\* The illustrated Income Rate is an example only and can differ from the current Income Rate, which changes from time to time.



## Structure of the Fund:

Description	
<b>Registration</b>	<p>The Fund is a registered managed investment scheme under the Financial Markets Conduct Act 2013. This means your money is pooled with other investors' money and invested by the Custodian on our instructions. Your investment is represented by units in the Fund.</p> <p>The value of units in Fund will change according to the changing value of the underlying assets in which the Fund has invested.</p>
<b>Legal structure</b>	<p>The Fund is structured as a trust and is governed by the Trust Deed between Lifetime and its Supervisor, Public Trust.</p> <p>The Custodian, Public Trust Lifetime Income Nominees Limited holds the Fund's assets on trust and separate from the assets of Lifetime.</p>
<b>Distributions</b>	<p>Apart from your Regular Income payments, we don't expect to make any distributions from the Fund.</p>

## Making investments

In order to make an investment into the Fund, you must be a person who is:

- resident in New Zealand at the time of making the investment; and
- under the age of 90 years old,

unless Lifetime otherwise determines that you are eligible.

You may invest as an individual, or jointly with a partner. In the case of joint investors, both joint investors must satisfy the above requirements and their age differential cannot be more than 10 years unless Lifetime agrees otherwise. In addition, joint investors must be in a relationship (i.e. de facto, civil union, marriage or a relationship determined by Lifetime to be similar in nature to those relationships). The Income Rate for joint investors will be based on the age of the younger investor in the relationship.

A trust may also invest in the Fund. The trust must provide a nominated individual whose details are then used to derive the Income Rate. Regular Income will only be paid to the nominee. If the nominee passes away with a residual account balance, the remaining funds are paid directly to the estate of the nominee.

The minimum initial investment amount is \$25,000. The maximum total investment is \$1,500,000. We can, however, accept applications below the minimum initial investment amount at our discretion or above the maximum total investment with the agreement of the Insurer.

You can make top ups to an investment of at least \$5,000 at any time before you start receiving your Regular Income. Once you start receiving your Regular Income, any further investments are usually treated as additional investments which are subject to the same minimum investment amount of \$25,000 as your initial investment and will require a valid quote which is subject to the Income Rates of the day. We can, however, accept smaller amounts at our discretion.

For information on how to invest in the Fund, see Section 10 'How to apply'.



## Withdrawing your investment

### Regular Income

Lifetime will calculate your Income Rate when you request an obligation-free quote from us. This will be based on the age you choose to commence receiving the Regular Income (or, in the case of a joint investment, based on the age of the younger investor in the relationship). You can do this via the website [lifetimeincome.co.nz](http://lifetimeincome.co.nz) or by telephoning us on **0800 254 338**.

**The current Income Rates for each age that will apply from time to time are set out in the 'Other Material Information' document which is available on our website and on the Offer Register at [disclose-register.companiesoffice.govt.nz](http://disclose-register.companiesoffice.govt.nz)**

You can choose to start receiving your Regular Income at any time after you (and your partner, in the case of a joint investment) are aged between 60 and 90 (or at an age outside this range if we expressly agree this with you).

If you pass away during your Protected Income Phase, the balance of your investment in the Fund will be paid directly to your estate and no further Regular Income will be paid to any person. If you pass away during your Insured Income Phase, where you have no investment balance, no amount will be paid to your estate.

An exception to the above rule exists where you have invested jointly. If you have invested jointly and one of you passes away, leaving a survivor, ownership of the investment will not transfer to your estate, and instead will be effectively transmitted into the name of the other joint investor if required. The surviving joint investor will continue to receive Regular Income (at the same amount) for the rest of their life.

Joint investment may not benefit all couples. For more information on the terms and conditions applicable to joint investment, see the "Other Material Information" document on the Offer Register at **[disclose-register.companiesoffice.govt.nz](http://disclose-register.companiesoffice.govt.nz)**

### Redemption of your investment

#### Partial Withdrawal

You can make a partial withdrawal at any time, but you must retain a minimum account balance of \$25,000 (unless we agree for you to do otherwise).

There is no limit on the number of partial withdrawals you can make from the Fund.

If you choose to make a partial withdrawal this will reduce your Protected Income Base from which your Regular Income is calculated.

#### Full Withdrawal

You can make a full withdrawal of your investment in the Fund at any time.

If you're receiving Regular Income it will stop, and you'll receive no further benefit from the Insurance Policy held by the Fund.

The Insurance Policy premiums you've paid won't be refunded.

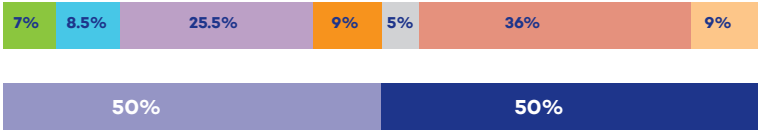
Your withdrawal will be paid to you, after adjustment for any fees, expenses and tax payable (if applicable), usually within 30 days from the date your withdrawal request is received.





### 3. Description of your investment option

This table shows details of the Fund:

Fund name	Investment objectives and strategy summary (including target investment mix)																						
Lifetime Income Fund	<p>The Fund invests primarily in diversified index funds with underlying exposure to international and Australasian equities and fixed interest. The Fund may also invest in Unlisted Property (however at the date of this document is not currently invested in this sector). The Fund uses a risk management overlay that's designed to manage market volatility and preserve the value of your money. The Fund's investment objective is to preserve capital to support the provision of retirement income for life, delivering a target return of 5.00% per-annum (before taxes and fees) over the long-term and limit average annualised volatility to no more than 6.00% over the long-term.</p>																						
Risk Indicator	<p>Potentially lower returns</p> <p>Potentially higher returns</p> <p>1 2 3 4 5 6 7</p> <p>Lower risk Higher risk</p>																						
Target investment mix																							
 <table border="1"><thead><tr><th>Asset Class</th><th>Percentage</th></tr></thead><tbody><tr><td>Cash and cash equivalents</td><td>7%</td></tr><tr><td>New Zealand fixed interest</td><td>8.5%</td></tr><tr><td>International fixed interest</td><td>25.5%</td></tr><tr><td>Australian fixed interest</td><td>9%</td></tr><tr><td>Unlisted property</td><td>5%</td></tr><tr><td>International equities</td><td>36%</td></tr><tr><td>Australasian equities</td><td>9%</td></tr></tbody></table> <table border="1"><thead><tr><th>Asset Class</th><th>Percentage</th></tr></thead><tbody><tr><td>Income assets</td><td>50%</td></tr><tr><td>Growth assets</td><td>50%</td></tr></tbody></table>		Asset Class	Percentage	Cash and cash equivalents	7%	New Zealand fixed interest	8.5%	International fixed interest	25.5%	Australian fixed interest	9%	Unlisted property	5%	International equities	36%	Australasian equities	9%	Asset Class	Percentage	Income assets	50%	Growth assets	50%
Asset Class	Percentage																						
Cash and cash equivalents	7%																						
New Zealand fixed interest	8.5%																						
International fixed interest	25.5%																						
Australian fixed interest	9%																						
Unlisted property	5%																						
International equities	36%																						
Australasian equities	9%																						
Asset Class	Percentage																						
Income assets	50%																						
Growth assets	50%																						
<p>The Statement of Investment Policy and Objectives (<b>SIPO</b>) sets out the investment policies and objectives for the Fund. We will regularly review the SIPO and may change the SIPO from time to time after consulting with the Supervisor without notifying you. However, if the change is material we must give you three months' prior notice and it will be described in the annual report. The SIPO is available from the Scheme Register at <b><a href="https://disclose-register.companiesoffice.govt.nz">disclose-register.companiesoffice.govt.nz</a></b></p> <p>Further information about the assets in the Fund can be found in the fund updates on the Offer Register at <b><a href="https://disclose-register.companiesoffice.govt.nz">disclose-register.companiesoffice.govt.nz</a></b></p> <div><div><div>Australasian equities</div><div>Australian fixed interest</div><div>Cash and cash equivalents</div><div>International fixed interest</div><div>International equities</div><div>Unlisted property</div><div>New Zealand fixed interest</div></div><div><div>Income assets</div><div>Growth assets</div></div></div>																							
Minimum suggested investment timeframe	There's no minimum timeframe as the Fund is designed to provide you with an income for life.																						



## 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.



For the filled-in risk indicator for the Fund, see Section 3 'Description of your investment option'.

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.

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

Note that even the lowest category does not mean a risk-free investment, and there are other risks (described under the heading 'Other specific risks') that are not captured by this rating.

This risk indicator is not a guarantee of a fund's future performance. The Fund has an average annualised volatility target sought to be achieved through a risk strategy implemented by Milliman. Due to this, we've calculated the risk indicator based on a method we consider reflects the potential future volatility of your investment in the Fund, rather than basing it on historical returns. Further details about the method we've used to calculate the risk indicator is available in the 'Other Material Information' document on the Offer Register at [disclose-register.companiesoffice.govt.nz](https://disclose-register.companiesoffice.govt.nz)

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 update for the Fund on the Offer Register at [disclose-register.companiesoffice.govt.nz](https://disclose-register.companiesoffice.govt.nz)

### General investment risks

Some of the things that may cause the Fund's value to move up and down, which affect the risk indicator, are market risk, liquidity risk, interest rate risk and currency risk.

Investment risks	Description
Market risk	The value of investments may rise or fall as a result of developments in economies, financial markets, and regulatory or political conditions. The performance of individual assets, securities, and issuers can impact returns.
Liquidity risk	<p>There is a risk that some assets of the Fund may not be able to be converted into cash, because of a lack of a market in which to sell them, or if the market is disrupted.</p> <p>In addition, the Fund may invest indirectly in Unlisted Property assets, which may be unable to be sold to obtain cash to meet unitholders' withdrawal requests. Lifetime manages this risk by aiming to invest only 5% of the Fund's assets in Unlisted Property assets and by ensuring that the Fund may not invest more than a total of 10% of its assets in such investments. Lifetime ensures that the large majority of the Fund's assets are invested in other highly liquid underlying investment funds and in cash to meet the expected liquidity requirements of investors.</p>



Investment risks	Description
<b>Interest rate risk</b>	The market value of fixed interest securities can change because of changes in interest rates. The impact this has on the Fund will depend on the term of the fixed investment, and the interest rate relative to market rates.
<b>Currency risk</b>	Most of the assets in the Fund are invested overseas. This means that returns expressed in New Zealand dollars can be affected by movements between the New Zealand dollar and overseas currencies. If the New Zealand dollar goes up, the relative value of these assets goes down. If the New Zealand dollar goes down, the relative value of these assets goes up. The Fund seeks to manage this risk by engaging Milliman Pty Limited to undertake currency hedging, so that funds with an underlying base currency of Australian dollars are to the extent possible 100% hedged back to New Zealand dollars.

Other specific risks	Description
<b>Insurance Risk</b>	<p>The Insurer must meet solvency standards (<b>Standards</b>) set by the Reserve Bank of New Zealand (<b>RBNZ</b>). The Standards require the Insurer to hold enough capital to be able to make regular payments to investors in the Insured Income Phase as they fall due and also to make appropriate provisions for unforeseen or catastrophic loss.</p> <p>There's a risk that, as a result of unanticipated or disastrous market and other events, the Insurer may breach the Standards. The potential range of consequences of a breach is broad, including suspension of applications and/or redemptions in the Fund, and a broad discretion by the RBNZ to make orders, such as warnings and fines.</p> <p>There's also a risk the Insurer won't be able to honour its Insurance Policy in the event of a catastrophic market event (i.e. catastrophic negative developments in financial markets, and regulatory or political conditions). If this occurred, a new insurer would be appointed, or if not, your Regular Income would stop and your interest in the Fund would be paid to you, net of wind-up fees and costs (if any). Your insurance premium payments would not be refunded to you.</p>

Details of other general risks can be found in the 'Other Material Information' document on the Offer Register at [disclose-register.companiesoffice.govt.nz](https://disclose-register.companiesoffice.govt.nz)

## 5. What are the fees?

You will be charged fees for investing in the Fund. Fees are deducted from your investment and will reduce your returns. If Lifetime 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, exit fees – although we don't currently charge these).

**These fees are as follows:**

Total annual fund charge (Per-annum estimate of the net asset value of the Fund)	Other charges (Per-annum of your Protected Income Base)
1.27%	Insurance Policy premium of either: <ul style="list-style-type: none"> <li>• 1.35% (for a single investment); or</li> <li>• 1.75% (for a joint investment)</li> </ul>

Description of the above fee categories are found on page 12.



Description	How is the fee paid?
<p><b>Total annual fund charge</b></p> <p>Used to pay for the investment management services (including those of the underlying funds' investment managers) and to pay for the general administration of the Fund (i.e. accounting, audit, establishment, legal and regulatory compliance costs) and administration costs of the Fund.</p> <p>The total annual fund charge is based on <b>fixed</b> fees, except for an <b>estimate</b> of 0.49% per annum in respect of the investment management fee charged by the underlying funds' investment managers. This estimate is based on actual costs reported by the underlying funds' investment managers for the year ending 31 March 2020, and anticipated investment levels in the underlying funds in accordance with the Fund's SIPO.</p>	<p>Calculated daily as a percentage of the net asset value of the Fund and will reduce the Fund unit price and therefore reduce the value of your units in the Fund.</p>
<p><b>Other charges</b></p> <p>Used to pay the Insurer the Insurance Policy premium to ensure we can pay your Regular Income for your entire life.</p>	<p>Calculated yearly as a percentage of your Protected Income Base and is deducted each month by cashing up some of your units. Where an Investor has a \$0.00 Account Balance or is in the Insured Income Phase, no further Insurance Policy premiums will be payable by the investor.</p>

#### Buy / Sell spread

When you invest or withdraw from the Fund, you'll be charged a buy / sell spread. The buy / sell spread is paid to the underlying investment managers (and not to us). It's designed to ensure any transaction costs incurred as a result of an investor investing or withdrawing from the Fund are borne by that investor, and not other investors in the Fund.

Indicative buy spread	Indicative sell spread
0.125% of investment allocated to the Fund	0.125% of withdrawal from the Fund

There aren't any other individual action fees charged by the Fund.

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

Susan is aged 60, she invests \$150,000 in the Fund and chooses to start receiving her Regular Income immediately. Her Protected Income Base is established at \$150,000. A buy spread of about \$187.50 (0.125% of \$150,000) is included into the unit price that she pays for her investment. This brings the starting value of her investment to \$149,812.50

She's also charged management and administration fees, which work out to about \$1,902 (1.27% of \$149,812.50). These fees might be more or less if her account balance has increased or decreased over the year. Over the next year, Susan pays a lifetime an Insurance Policy premium of \$2,025 (Protected Income Base \$150,000 x 1.35% = \$2,025).

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

Individual action fees:	\$187.50
Fund charges:	\$1,902
Other charges:	\$2,025

See the latest fund update for an example of the actual returns and fees investors were charged over the past year.



## GST

All fees are stated on a GST inclusive basis.

### The fees can be changed

Fees can be altered or waived in accordance with the Trust Deed and applicable law. In particular, we may waive or decrease part or all of any existing fees without notice to you and may increase the existing fees or charge new fees upon giving you at least three months' notice.

The Insurer can increase or decrease the Insurance Policy premium for the Insurance Policy upon giving you 90' days written notice.

We must publish a fund update for the Fund showing the fees actually charged during the most recent year. Fund updates, including past updates, are available at [lifetimeincome.co.nz](http://lifetimeincome.co.nz).

## 6. What taxes will you pay?

The Fund is a portfolio investment entity (**PIE**). Based on a binding ruling from Inland Revenue Department (IRD), the Regular Income (referred to in the binding ruling as the 'Lifetime Withdrawal Benefit') is tax paid (i.e. after tax). The amount of tax you pay is based on your prescribed investor rate (**PIR**). To determine your PIR, go to [ird.govt.nz/topics/income-tax/types-of-income/income-from-pies/portfolio-investment-entities-for-new-zealand-residents](http://ird.govt.nz/topics/income-tax/types-of-income/income-from-pies/portfolio-investment-entities-for-new-zealand-residents). If you are unsure of your PIR, we recommend you seek professional advice or contact the IRD. It is your responsibility to tell us your PIR when you invest or if your PIR changes. We will apply the PIR you tell us, unless we are directed by the IRD to apply a different rate. If you do not tell us, a default rate may be applied. If the advised PIR is lower than the correct PIR, you will need to complete a personal tax return and pay any tax shortfall, interest, and penalties. If the default rate or the advised PIR is higher than the correct PIR, then any additional tax paid by the Scheme on your behalf will reduce your income tax liability for that income year, and may give rise to a tax refund.

For more information about the tax consequences, see the 'Other Material Information' document on the Offer Register at [disclose-register.companiesoffice.govt.nz](http://disclose-register.companiesoffice.govt.nz)

## 7. Who is involved?

### About Lifetime Asset Management Limited

Lifetime is the Manager of the Fund. More information can be found at [lifetimeincome.co.nz](http://lifetimeincome.co.nz) We can be contacted at:

#### Lifetime Asset Management Limited

Level 3, 120 Featherston Street  
Wellington Central  
Wellington 6011

**Email:** [retire@lifetimeincome.co.nz](mailto:retire@lifetimeincome.co.nz)

**Phone:** 0800 254 338





## Who else is involved

	Name	Role
<b>Supervisor</b>	Public Trust	Supervises the Manager of the Fund.
<b>Custodian</b>	Public Trust Lifetime Income Nominees Limited (a subsidiary of Public Trust)	Holds the assets of the Fund on trust.
<b>Administration Manager</b>	MMC Limited	Provides registry, accounting, pricing and valuation services for the Fund.
<b>Investment Manager</b>	Milliman Pty Ltd	Investment manager of the Fund.
<b>Managers of underlying investments</b>	Vanguard Asset Management Limited Harbour Asset Management Limited	Manage underlying investment funds into which Lifetime invests the assets of the Fund.
	ANZ New Zealand Investments Limited	Bank with which cash is held 'On Call'.
<b>Insurer</b>	Lifetime Income Limited	Provides the Insurance Policy.

It is intended that Lifetime will establish and manage an underlying property fund in late 2020 into which the Fund will invest the assets of the Fund to gain exposure to Unlisted Property assets.

## 8. How to complain

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

### 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:

### Public Trust

Public Trust  
Level 9, 34 Shortland Street  
Auckland 1010

**Email:** cts.enquiry@publictrust.co.nz  
**Phone:** 0800 371 471

If we are unable to resolve your complaint, you can complain to Financial Services Complaints Limited (**FSCL**). They can be contacted at:

### Financial Services Complaints Limited

Floor 4, 101 Lambton Quay  
Wellington Central  
Wellington 6011

**Email:** info@fscl.org.nz  
**Phone:** 0800 347 257

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



## 9. Where you can find more information

Further information relating to the Fund, including financial statements, annual reports and quarterly fund updates, the Trust Deed and SIPO are available at **[disclose-register.companiesoffice.govt.nz](https://disclose-register.companiesoffice.govt.nz)**. A copy of this information is available on request from the Registrar of Financial Service Providers.

The above information is also available free of charge at **[lifetimeincome.co.nz](https://lifetimeincome.co.nz)** or by contacting us.

You'll be sent an annual tax statement which will include the amount of PIE income attributed to you and the amount of PIE tax paid at your PIR. You'll also be asked to confirm your IRD number and PIR.

You can obtain general information about us and the Fund at **[lifetimeincome.co.nz](https://lifetimeincome.co.nz)**

## 10. How to apply

**It is easy!**

### **Read the relevant documents**

Read this document (and the other information available about this investment on the websites noted in the section immediately above) and take any advice, as required, to ensure you understand the investment.

### **Request a quote**

Please contact us directly or visit our website for an obligation-free Income Rate quote.

Our Income Rates are reviewed and updated according to market conditions.

**The current Income Rates for each age that will apply from time to time are set out in the 'Other Material Information' document which is available on our website and on the Offer Register at [disclose-register.companiesoffice.govt.nz](https://disclose-register.companiesoffice.govt.nz)**

### **Complete, sign and send to us a valid application form**

Please ensure that all relevant sections of the application form have been completed, and that you sign and date the form.

If your application form is incomplete, we will not be able to proceed with your investment until the required information is provided. In these situations, we will attempt to contact you or your financial adviser. If you have not included a valid quote number in your application, we will issue a quote upon receipt of your application.

### **Provide us with any required documentation, including identity verification documents / information**

In order to comply with various laws and requirements we require some documentation from you. For example, we require verification of your identity, address and nominated bank account, before we can accept your application.

Full details of the documentation we require are set out in the application form.

### **Provision of investment funds**

Applications are accepted at our discretion.

If your application to invest is accepted, we will notify you and provide you with payment details.

You can provide your investment funds via:

**Internet banking:** You can arrange for the funds to be transferred to the Custodian through your banks online internet banking system.

**Cheque:** You can also pay by cheque by making the cheque payable to "Public Trust Lifetime Income Nominees Limited" and crossing it 'non-transferable'.





Lifetime Asset Management Limited  
[lifetimeincome.co.nz](http://lifetimeincome.co.nz)