



The Lifestages KiwiSaver Scheme is brought to you by  
Funds Administration New Zealand Limited (FANZ)



Lifestages KiwiSaver Scheme  
Annual Report 2015





life

# Welcome

Welcome to the 2015 Lifestages KiwiSaver Scheme Annual Report, the audited, official record of the Scheme's performance over the 12 months to 31 March 2015.

You'll find here details of the Lifestages KiwiSaver Scheme over that time, together with explanatory notes where necessary.

Those performances, I'm pleased to say, have continued in a similar vein to those of the last few years. Returns for asset classes across the board have exceeded expectations as equity, cash and bond markets have performed well.

From our point of view, the stars of the show have been our two Lifestages KiwiSaver Scheme portfolios, with the Lifestages Capital Stable Portfolio registering an after-fees and pre-tax return of 5.95% pa, while the Lifestages Growth Portfolio topped last year's result and delivered a strong result of 12.03% pa (after fees and before tax).

There's nothing wrong with taking a moment to bask in the glow of these figures, but we should also be mindful of the environment from which they emerged.

Those who have taken a keen interest in investment markets and their performance over the last 12 months will know that these numbers mask what has been something of a roller coaster ride. Improving growth in the United States and even Europe has been tempered by continued geo-political concerns in the Middle East, Ukraine and Greece. The New Zealand economy has also come under strain (we're not hearing the 'rock star' descriptor so much these days). Among the factors causing concern are falling milk prices and a surging property market (especially in Auckland).

As we noted last year, markets often tend to wane after a few years' strong performance, as valuations become stretched.

---

## PERFORMANCE TO 31 MARCH 2015

---

PER ANNUM <i>(before tax and after fees):</i>	1 YEAR	2 YEARS	3 YEARS
LIFESTAGES CAPITAL STABLE PORTFOLIO	5.95%	5.45%	5.39%
LIFESTAGES GROWTH PORTFOLIO	12.03%	10.78%	10.34%

---

The risks posed by such a climate make a sound, diversified approach more important than ever.

The markets will never stop tossing challenges our way, but we feel as confident as we ever have that the proven, prudent approach we take in investing your savings is the right one.

I thank you for your continued support over these past 12 months, and look forward to strengthening our relationship over the years ahead.

GRAHAM DUSTON

*Funds Administration New Zealand,*

*Manager of the Lifestages KiwiSaver Scheme*

*Phone: 0800 502 442*

*Address: Level 1, SBS, 2-6 Main North Road,  
Papanui, Christchurch 8542*

*Postal: PO Box 5038, Papanui, Christchurch*

*Contact us at [www.lifestages.co.nz](http://www.lifestages.co.nz)*

*A copy of the full financial statements for the Lifestages KiwiSaver Scheme can be obtained from [www.lifestages.co.nz](http://www.lifestages.co.nz), or by contacting the Manager, freephone 0800 502 442.*

# stages

## Manager's Report *for the year ended 31 March 2015*

Pursuant to section 123 of the KiwiSaver Act 2006, as it applies to the Lifestages KiwiSaver Scheme under Schedule 1 of the Financial Markets Conduct Regulations 2014, we (Funds Administration New Zealand Limited), the manager of the Lifestages KiwiSaver Scheme, report as follows:

- a) The summary financial statements for the Scheme for the year ended 31 March 2015 (and the four previous years) are attached.
- b) The Auditor's report on the financial statements for the Scheme is attached.
- c) There have been no material changes to the trust deed and the terms of the offer of interests in the Scheme for the year ending 31 March 2015.
- d) There have been no changes to the investment objectives and policy for each portfolio in the Scheme for the year ending 31 March 2015.

- e) *Trustee:* Trustees Executors Limited  
*Manager:* Funds Administration New Zealand Limited  
*Administration Manager:* Trustees Executors Limited  
*Auditors:* KPMG  
*Custodian:* T.E.A. Custodians Limited  
*Promoters:* Southland Building Society (SBS Bank)  
SBS Bank directors who are not also directors of Funds Administration New Zealand Limited are:
  - » BALL, K J (Kathryn), Invercargill, New Zealand  
*Appointed 2006*
  - » GRANT, J J (Jeff), Balfour, New Zealand  
*Appointed 2007*
  - » NEILL, A G (Alec), Christchurch, New Zealand  
*Appointed 2012*
  - » SKILLING, M J (Mike), Auckland, New Zealand  
*Appointed 2014*
  - » SPENCER, F E (Frank), Hastings, New Zealand  
*Appointed 2010*
  - » WARD, J F (John), Invercargill, New Zealand  
*Appointed 2002*

*Solicitors:* Kensington Swan

*Registrar:* Trustees Executors Limited

There have been no changes to the above service providers since the last annual report.

- f) The following is a list of the names of, and any changes to, the directors of the Trustee:

**Trustees Executors Limited – Directors**

- » BOLGER ONZ, Rt Hon James Brendan  
Waikanae, New Zealand  
*Appointed 15/8/05*
  - » HOCKING, Paul Raymond Shelley  
Martinborough, New Zealand  
*Appointed 01/03/06*
  - » METZ, Peter Andrew  
New York, United States of America  
*Appointed 15/07/10*
  - » RUSSELL, Robert Paul  
Lower Hutt, New Zealand  
*Appointed 17/05/13*
- g) The following is a list of the names of, and any changes to, the directors of the Manager:

**FANZ Directors**

- » DUSTON, Graham David  
Christchurch, New Zealand  
*Appointed 10/09/01*
  - » EVANS, Wayne Lindsay  
Invercargill, New Zealand  
*Appointed 20/08/14*
  - » MULVEY, Gregory John  
Invercargill, New Zealand  
*Appointed 26/05/04*
  - » WALKER, Jeffrey Bernard  
Invercargill, New Zealand  
*Appointed 10/09/01*
  - » YOUNG, Derek Richmond  
Wellington, New Zealand  
*Appointed 26/05/04*
  - » SMITH, Ross Lindsay  
Invercargill, New Zealand  
*Ceased 30/04/14*
- h) The most recent registered prospectus for the Scheme is dated 25 September 2014 and was registered on 25 September 2014.

- i) Members have the right to receive, on request, a copy of the most recent financial statements, auditor's report, an estimate of the member's benefits, and a copy of the most recent registered prospectus relating to the Scheme. Copies of the most recent financial statements, prospectus and other documents of, or relating to, the Scheme are filed on a public register at the Companies Office of the Ministry of Business, Innovation and Employment and available for public inspection, including by viewing the Scheme's file using the 'search other registers' function on the Companies Office website at **www.business.govt.nz/companies**.

- j) All enquiries or complaints should initially be directed to:

- » **The Manager**  
Executive Director  
Funds Administration New Zealand Limited  
51 Don Street  
PO Box 835, Invercargill 9810  
Phone: 0800 502 442

In the event of this proving unsatisfactory, the Trustee can be contacted directly at:

- » **Trustees Executors Limited**  
Level 5, 10 Customhouse Quay  
PO Box 3222, Wellington 6140  
Phone: (04) 495 0995

If you are not satisfied with how your complaint has been dealt with you may be able to refer your complaint to the Banking Ombudsman which is an approved dispute resolution service. You can contact the Banking Ombudsman by writing to:

- » **The Office of the Banking Ombudsman**  
PO Box 10-573  
The Terrace  
Wellington 6143  
Email: **help@bankomb.org.nz**  
Phone: 0800 805 950

If you have a complaint about the Trustee you may be able to refer your complaint to Financial Services Complaints Limited (FSCL). You can contact FSCL by writing to:

- » **Financial Services Complaints Ltd**  
PO Box 5967  
Lambton Quay  
Wellington 6145  
Email: **info@fscl.org.nz**  
Phone: 0800 347 257

# Statutory Information *for the year ended 31 March 2015*

Membership	Number of Members	Amount NZ\$
<b>NUMERICAL CHANGES IN THE MEMBERSHIP OF THE SCHEME</b>		
Number of Contributing Members at 1 April 2014	7,167	
Total Entries of Contributing Members for the year ended 31 March 2015	2,803	
Total Exits of Contributing Members for the year ended 31 March 2015	(1,946)	
<b>Number of Contributing Members at 31 March 2015</b>	<b>8,024</b>	
Number of Members on Section 104 Contribution Holidays as at 31 March 2015	202	
Number of other Members non-contributing (not on section 104 Contribution Holidays) as at 31 March 2015	3,570	
<b>Total Members as at 31 March 2015</b>	<b>11,796</b>	
<b>WITHDRAWALS AND TRANSFERS</b>		
Withdrawal for first home purchase	57	665,416
Withdrawal for mortgage diversion	9	6,025
Withdrawal for significant hardship	1	10,185
Withdrawal for serious illness	3	19,620
Withdrawal on death	21	207,985
Withdrawal for permanent emigration	1	75,784
Transfer to other KiwiSaver Schemes	491	4,135,181
Transfers to Australian complying superannuation funds	1	24,295
<b>CONTRIBUTIONS</b>		
Member contributions at Section 64 Contribution Rate	6,414	9,868,022
Employer contributions	6,222	5,833,544
Crown contributions	7,766	4,041,061
Transfers from other KiwiSaver Schemes	747	6,127,508
Transfers from registered superannuation schemes	23	653,389
Lump sum contributions	3,352	2,937,025
Transfers from Australian complying superannuation funds	21	581,269
IRD other payments		32,104
<i>(includes a large number of IRD interest payments, which are indeterminable to the number of members' accounts effected)</i>		
<b>LIFESTAGES KIWISAVER SCHEME FEES FOR THE YEAR TO 31 MARCH 2015</b>		
Audit fees		6,676
Manager Fees		888,709
Trustee fees		65,817
General Expenses		381,114
		<b>1,342,316</b>
Administration Fees		271,168
<b>TOTAL AMOUNT OF FEES AND EXPENSES CHARGED</b>		<b>1,613,484</b>

All fees were charged indirectly to members via the Scheme, except for administration fees, which were charged directly to members' accounts.

## MEMBER ACCUMULATIONS

There were 11,796 members, with members' accumulations (members' funds) at 31 March 2015 totalling \$108,928,362.

## Statutory Information *for the year ended 31 March 2015*

Fund Performance <i>per annum, pre-tax and after fees</i>	<i>1 year</i> %	<i>2 years</i> %	<i>3 years</i> %
Lifestages Capital Stable Portfolio	5.95	5.45	5.39
Lifestages Growth Portfolio	12.03	10.78	10.34

Change in Unit Price	<i>Lifestages</i> <i>Capital Stable Portfolio</i>	<i>Lifestages</i> <i>Growth Portfolio</i>
Price as at 31 March 2014	2.477897	1.197481
Price as at 31 March 2015	2.625308	1.341521
Year Low	2.471820	1.183470
Year High	2.626242	1.352620

## Summary Statement of Changes in Net Assets *for the year ended 31 March 2015*

	Notes	2015 \$	2014 \$	2013 \$	2012 \$	2011 \$
<b>Revenues</b>						
Interest Income		498,424	377,802	288,871	220,436	446,869
Dividend Income		2,118,188	1,600,556	1,426,053	1,288,689	683,270
Net Gains on Investments		6,470,930	3,882,795	3,346,583	68,751	632,820
Other Revenues		182,730	222,440	-	-	-
<b>TOTAL INVESTMENT REVENUES</b>		<b>9,270,272</b>	<b>6,083,593</b>	<b>5,061,507</b>	<b>1,577,876</b>	<b>1,762,959</b>
<b>Expenses</b>						
Investment Expenses		-	-	-	-	-
Management Expenses	1	1,335,640	1,114,243	807,817	590,895	392,754
Interest Expenses		-	-	-	-	-
Audit Fees		6,676	6,194	7,187	6,529	6,749
Other Expenses		-	-	-	-	-
<b>TOTAL EXPENSES</b>		<b>1,342,316</b>	<b>1,120,437</b>	<b>815,004</b>	<b>597,424</b>	<b>399,503</b>
<b>CHANGE IN NET ASSETS BEFORE MEMBERSHIP ACTIVITIES AND TAX</b>		<b>7,927,956</b>	<b>4,963,156</b>	<b>4,246,503</b>	<b>980,452</b>	<b>1,363,456</b>
Taxation Expense		-	-	-	-	-
<b>CHANGE IN NET ASSETS BEFORE MEMBERSHIP ACTIVITIES AFTER TAX</b>		<b>7,927,956</b>	<b>4,963,156</b>	<b>4,246,503</b>	<b>980,452</b>	<b>1,363,456</b>
<b>Membership Activities</b>						
<b>Contributions</b>						
Members' Contributions		12,837,151	11,091,098	9,035,193	7,698,798	6,598,235
Employer Contributions		5,833,544	4,969,291	3,427,257	3,422,315	2,825,009
Crown Contributions and Fee Subsidies		4,041,061	3,521,147	3,762,175	5,494,010	4,957,498
Transfers in from other schemes		7,362,166	4,441,016	4,677,683	3,368,208	2,191,470
<b>TOTAL CONTRIBUTIONS</b>		<b>30,073,922</b>	<b>24,022,552</b>	<b>20,902,308</b>	<b>19,983,331</b>	<b>16,572,212</b>
<b>Benefits Paid</b>						
Withdrawals		5,642,872	5,091,976	4,596,570	961,774	576,521
Transfer to other schemes		4,135,181	2,754,109	1,649,379	919,256	518,376
<b>TOTAL BENEFITS PAID</b>		<b>9,778,053</b>	<b>7,846,085</b>	<b>6,245,949</b>	<b>1,881,030</b>	<b>1,094,897</b>
<b>NET MEMBERSHIP ACTIVITIES</b>		<b>20,295,869</b>	<b>16,176,467</b>	<b>14,656,359</b>	<b>18,102,301</b>	<b>15,477,315</b>
<b>Distributions</b>						
Distribution to Members		-	-	-	-	-
Other Distributions		-	-	-	-	-
Transfers to Reserves		-	-	-	-	-
<b>TOTAL DISTRIBUTIONS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Members' Benefits		28,223,825	21,139,623	18,902,862	19,082,753	16,840,771
Members Accumulations at the Beginning of the Financial Year		101,844,160	80,704,537	61,801,675	42,718,922	25,878,151
<b>MEMBERS ACCUMULATIONS AT THE END OF THE FINANCIAL YEAR</b>		<b>130,067,985</b>	<b>101,844,160</b>	<b>80,704,537</b>	<b>61,801,675</b>	<b>42,718,922</b>



## Summary Statement of Financial Position *as at 31 March 2015*

	2015 \$	2014 \$	2013 \$	2012 \$	2011 \$
<b>Assets</b>					
Cash	9,103,472	8,323,925	4,369,628	3,826,958	1,218,844
Trade and Other Receivables	1,444,435	457,503	503,990	883,772	492,586
Investments	120,372,338	93,530,173	75,932,557	57,179,700	41,068,158
<b>TOTAL TANGIBLE ASSETS</b>	<b>130,920,245</b>	<b>102,311,601</b>	<b>80,806,175</b>	<b>61,890,430</b>	<b>42,779,588</b>
<b>TOTAL ASSETS</b>	<b>130,920,245</b>	<b>102,311,601</b>	<b>80,806,175</b>	<b>61,890,430</b>	<b>42,779,588</b>
Total Liabilities (excluding Net Assets attributable to Members)	852,260	467,441	101,638	88,755	60,666
<b>NET ASSETS AVAILABLE TO PAY BENEFITS</b>	<b>130,067,985</b>	<b>101,844,160</b>	<b>80,704,537</b>	<b>61,801,675</b>	<b>42,718,922</b>

*On behalf of Funds Administration New Zealand Limited as Manager,  
who authorised the issue of these summary financial statements on 14 July 2015:*

## Summary Statement of Cash Flows *for the year ended 31 March 2015*

	2015 \$	2014 \$	2013 \$	2012 \$	2011 \$
Net Cash used in Operating Activities	(19,846,671)	(12,499,840)	(14,113,689)	(15,494,187)	(14,549,752)
Net Cash from Financing Activities	20,626,218	16,454,137	14,656,359	18,102,301	15,477,315
<b>NET INCREASE/(DECREASE) IN CASH</b>	<b>779,547</b>	<b>3,954,297</b>	<b>542,670</b>	<b>2,608,114</b>	<b>927,563</b>
Cash at the beginning of the Financial Year	8,323,925	4,369,628	3,826,958	1,218,844	291,281
<b>CASH AT THE END OF THE FINANCIAL YEAR</b>	<b>9,103,472</b>	<b>8,323,925</b>	<b>4,369,628</b>	<b>3,826,958</b>	<b>1,218,844</b>

# Notes to the Summary Financial Statements *for the year ended 31 March 2015*

The reporting entity is the Lifestages KiwiSaver Scheme (the “Scheme”).

The Summary Financial Statements are for the accounting periods ending 31 March 2015, 31 March 2014, 31 March 2013, 31 March 2012 and 31 March 2011.

These Summary Financial Statements have been prepared in compliance with FRS-43: Summary Financial Statements and comply with NZ GAAP as it relates to summary financial statements. The specific disclosures included in the Summary Financial Statements have been extracted from the full Lifestages KiwiSaver Scheme’s audited financial statements.

There have been no changes in accounting policies during the 12 months to 31 March 2015.

The Summary Financial Statements do not include all disclosures provided in the Full Financial Statements and cannot be expected to provide as complete an understanding as provided by the Full Financial Statements.

The Summary Financial Statements are presented in New Zealand dollars, which is the Scheme’s functional currency. All financial information presented in New Zealand dollars has been rounded to the nearest dollar.

The Full Financial Statements have been prepared in compliance with the Trust Deed, the Financial Reporting Act 2013, the KiwiSaver Act 2006 and New Zealand Generally Accepted Accounting Practice. They comply with New Zealand equivalents

to International Financial Reporting Standards (“NZ IFRS”) as appropriate for profit-oriented entities. The Financial Statements also comply with International Financial Reporting Standards (“IFRS”).

The Full Financial Statements for the year ended 31 March 2015 were registered under the Financial Reporting Act 1993 on 9 July 2015.

The Full Financial Statements for the years ended 2011 and 2012 were authorised for issue by the directors of Trustees Executors Limited as Trustee, and, following a legislative change, by the directors of FANZ as the manager of the Scheme for the years ended 2013, 2014 and 2015. An unmodified/unqualified audit report was issued by KPMG on each date as follows:

<i>Full Financial Statements as at:</i>	<i>Authorised for issue on:</i>
31 March 2015	25 June 2015
31 March 2014	25 June 2014
31 March 2013	28 June 2013
31 March 2012	31 July 2012
31 March 2011	30 June 2011
No audit report in respect of these financial statements referred to a fundamental uncertainty.	

**The Full Financial Statements of the Lifestages KiwiSaver Scheme can be obtained from [www.lifestages.co.nz](http://www.lifestages.co.nz), or by contacting the Manager, freephone 0800 502 442.**

## 1. MANAGEMENT EXPENSES

	2015	2014	2013	2012	2011
	\$	\$	\$	\$	\$
Manager Fees	888,709	706,022	545,351	395,713	259,969
Trustee Fees	65,817	58,728	42,112	31,839	21,393
General Expenses	381,114	349,493	220,354	163,343	111,392
<b>TOTAL</b>	<b>1,335,640</b>	<b>1,114,243</b>	<b>807,817</b>	<b>590,895</b>	<b>392,754</b>

## Manager's Certificate *for the year ended 31 March 2015*

The Manager of the Lifestages KiwiSaver Scheme (the "Scheme") states that for the year ended 31 March 2015:

- » All the benefits required to be paid from the Scheme in accordance with the terms of the Scheme's trust deed and the KiwiSaver scheme rules have been paid.
- » The market value of the assets of the Scheme at the close of the financial year equalled or exceeded the total value of benefits that would have been payable had all members of the Scheme ceased to be members at that date and had provision been made for the continued payment of all benefits being paid to members and other beneficiaries as at the close of the 31 March 2015.
- » There is a scheme provider agreement between the Commissioner of Inland Revenue and the Manager that remained in force throughout the year ending 31 March 2015.
- » All contributions received in respect of each member, including contributions paid by way of the Commissioner of Inland Revenue in respect of that member, have been applied in accordance with the Scheme's trust deed and the KiwiSaver Act.

Signed:

  
\_\_\_\_\_  
Manager

*14 July 2015*  
\_\_\_\_\_  
Date

# Trustee's Annual Statement *for the year ended 31 March 2015*



**Trustees Executors**

Level 5, 10 Customhouse Quay, PO Box 3222, DX SP20011,  
Wellington, New Zealand. Phone (04) 495-0999, Fax (04) 496-2952

14 July 2015

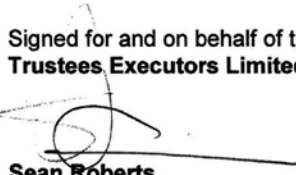
**TRUSTEE'S ANNUAL STATEMENT  
TO THE MEMBER'S OF THE  
LIFESTAGES KIWISAVER SCHEME**

**For the Year Ended 31 March 2015**

In accordance with sub-clause 5(3) of Schedule 1A to the KiwiSaver Regulations 2006, we, the Trustee of the Lifestages KiwiSaver Scheme state that:

In respect of the financial year ended 31 March 2015, the Trustee is satisfied that the Manager has not breached an issuer obligation (as defined in section 4(1) of the Financial Markets Supervisors Act 2011) in a material respect.

Signed for and on behalf of the Trustee  
**Trustees Executors Limited**

  
**Sean Roberts**  
Business Manager  
Corporate Trust

# Independent Auditor's Report *for the year ended 31 March 2015*



## Independent auditor's report on the summary financial statements

### **To the Members of the Lifestages Kiwisaver Scheme**

The accompanying summary financial statements on pages 4 to 8, which comprise the summary statement of financial position as at 31 March 2015 and the summary statements of changes in net assets and cash flows for the year then ended and notes, are derived from the audited financial statements of the Lifestages Kiwisaver Scheme ("the scheme") for the year ended 31 March 2015. We expressed an unmodified audit opinion on those financial statements in our audit report dated 25 June 2015. Those financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our audit report on those financial statements.

The summary financial statements do not contain all the disclosures required for full financial statements under generally accepted accounting practice in New Zealand. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of the Lifestages Kiwisaver Scheme.

#### ***Manager's responsibility for the financial statements***

The Manager is responsible for the preparation of a summary of the audited financial statements, in accordance with FRS-43 *Summary Financial Statements* and that comply with the requirements of clause 7 of Schedule 5A of the Securities Regulations 2009.

#### ***Auditor's responsibility***

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standards on Auditing (New Zealand) (ISA (NZ)) 810 *Engagements to Report on Summary Financial Statements*.

Our firm has also provided other services to the scheme in relation to the registered prospectus, trustee reporting and taxation. Subject to certain restrictions, partners and employees of our firm may also deal with the scheme on normal terms within the ordinary course of trading activities of the business of the scheme. These matters have not impaired our independence as auditor of the scheme. The firm has no other relationship with, or interest in, the scheme.

#### ***Opinion***

In our opinion, the summary financial statements have been correctly extracted from the audited financial statements of the Lifestages Kiwisaver Scheme for the year ended 31 March 2015, and the information reported in the summary financial statements is consistent, in all material respects, with the audited financial statements, in accordance with FRS-43 *Summary Financial Statements* and complies with the requirements of clause 7 of Schedule 5A of the Securities Regulations 2009.

*KPMG*

14 July 2015  
Wellington



stages



Lifestages KiwiSaver Scheme is brought to you by  
Funds Administration New Zealand Limited (FANZ)