

ANNUAL REPORT

Annual report for the period 1 October 2016 to 30 September 2017



Details of Scheme

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

The Scheme is a registered superannuation scheme.

The latest Product Disclosure Statement (**PDS**) for the Scheme is dated 1 August 2017 and is open for applications.

The latest fund updates for each of the investment funds in the Scheme were made publicly available on 31 January 2018.

The latest financial statements for the Scheme dated 28 February 2018 and the auditor's report on those financial statements was lodged with the Registrar of Financial Service Providers on 28 February 2018. The financial statements and auditor's report are available on the Scheme Register at companiesoffice.govt.nz/disclose

Information on contributions and Scheme participants

This section provides a summary of changes in the membership of the Scheme over the year ended 30 September 2017.

Membership	1 October 2016	30 September 2017
Total contributing members	0	0
Total non-contributing members	97	96
Total scheme members	97	96

New members and member withdrawals during the period 1 October 2016 and 30 September 2017

New members

Transfers from other schemes	24
Other new members	0
Total new members	24

Member withdrawals

Death	0
Retirement	0
Transfers to other schemes	25
Other reasons	0
Total member withdrawals	25

Member accumulations	1 October 2016	30 September 2017
Total members' accumulations	\$24,776,196	\$17,957,686
Number of members	97	96

Total contributions to the Scheme for the period	Total contributions during the period	Number of members who made the relevant contribution
Member contributions	\$0	0
Employer contributions	\$0	0
Member voluntary additional contributions	\$5,552,935	24
Total contributions	\$5,552,935	24

Changes relating to the Scheme

Material changes

Apart from the changes described below, no other material changes have occurred during the year ending 30 September 2017.

1. Amendment to the trust deed for compliance with FMCA

The trust deed was amended for compliance with the requirements of the Financial Markets Conduct Act 2013 (**FMCA**). The FMCA is now the primary governing legislation for the Scheme (replacing the Superannuation Schemes Act 1989 and other legislation). The FMCA introduced new governance and reporting obligations that apply to the Scheme. The amended trust deed is dated 29 November 2016, and took effect on 1 December 2016 (the date the Scheme transitioned to the FMCA regime).

2. Amendment to the trust deed to reflect changes made to the Finance Act 2004 (UK)

The trust deed dated 29 November 2016 was amended on 1 August 2017 to accommodate United Kingdom (UK) Parliament amendments to the Finance Act 2004 (UK) that introduced overseas transfer charge on money transferred from a UK Pension Fund of up to 25% of the money transferred. While a member will be exempt from this charge if they are a New Zealand tax resident when the transferred amount is received by the Scheme, a member may be required to pay this charge in the future if their circumstances change (for example they no longer meet the tax residency requirement) during the first five clear and complete UK tax years following the transfer.

Also, the trust deed was amended to:

- allow the assets of one investment fund to be applied to meet the liabilities of any other fund in the Scheme
- to allow a single set of financial statements to be prepared for the Scheme, obviating the need for separate set of financial statements for each investment fund
- to align the provisions for death benefits with the requirements of the Superannuation Scheme Rules provided by Financial Markets Conduct Regulations 2014.

3. Investment funds changes

The following changes were made to the Scheme's investment funds during the year ending 30 September 2017.

Investment Fund	Status	Comment
IVCM Emirates Active Fund	Open	Established on 1 December 2016. The name changed from the IVCM Emirates Active Managed Fund to the IVCM Emirates Active Fund on 1 August 2017.
IVCM Emirates Balanced Fund	Open	Established on 1 December 2016. The name changed from the IVCM Emirates Balanced Managed Fund to the IVCM Emirates Balanced Fund on 1 August 2017.
IVCM Emirates Active Fund – Class C	Closed	Established on 1 December 2016 with a 'closed to all investment' status for existing members who had previously invested in the Scheme's investment fund that were disestablished on 30 November 2016.
IVCM Emirates Active Fund – Class C	Closed	Established on 1 December 2016 with a 'closed to all investment' status for existing members who had previously invested in the

Investment Fund	Status	Comment
		Scheme's investment fund that were disestablished on 30 November 2016.
IVCM iShares UK Corporate Bond Fund	Open	Established on 1 December 2016.
IVCM Vanguard Australian Shares Index Fund	Open	Established on 1 December 2016. The name changed from the IVCM Vanguard Australian Shares Fund to the IVCM Vanguard Australian Shares Index Fund on 1 August 2017.
IVCM Vanguard FTSE 100 Fund	Open	Established on 1 December 2016. The name changed from the IVCM Vanguard UK Shares Fund to the I IVCM Vanguard FTSE 100 Fund on 1 August 2017.
IVCM Bentham Wholesale Global Income Fund	Open	Established on 1 August 2017.
IVCM iShares Core Moderate Fund	Open	Established on 1 August 2017.
IVCM Vanguard Balanced Index Fund	Open	Established on 1 August 2017.
IVCM Vanguard Conservative Index Fund	Open	Established on 1 August 2017.
IVCM Vanguard International Shares Index Fund (Hedged) – NZD Class	Open	Established on 1 August 2017.
IVCM Vanguard LifeStrategy 40% Equity Fund	Open	Established on 1 August 2017.
IVCM Vanguard LifeStrategy 60% Equity Fund	Open	Established on 1 August 2017.
IVCM Vanguard Australian Property Fund	Disestablished	Established on 1 December 2016 and disestablished on 31 July 2017.
IVCM Vanguard US Total Market Shares Fund	Disestablished	Established on 1 December 2016 and disestablished on 31 July 2017.
AMP Capital Responsible Investment Leaders Balanced Fund	Disestablished	Disestablished on 30 November 2016.
AMP Capital Responsible Investment Leaders Conservative Fund	Disestablished	Disestablished on 30 November 2016.
ANZ Investments Balanced Fund	Disestablished	Disestablished on 30 November 2016.

Investment Fund	Status	Comment
ANZ Investments Conservative Fund	Disestablished	Disestablished on 30 November 2016.
ANZ Investments Growth Fund	Disestablished	Disestablished on 30 November 2016.
CIS Sustainable Diversified Trust	Disestablished	Disestablished on 30 November 2016.
Jupiter Distribution Fund	Disestablished	Disestablished on 30 November 2016.
LionTrust Special Situations Fund	Disestablished	Disestablished on 30 November 2016.
MP Capital Responsible Investment Leaders Growth Fund	Disestablished	Disestablished on 30 November 2016.
MP Matterley Regular High Income Fund	Disestablished	Disestablished on 30 November 2016.
Old Mutual Managed Fund	Disestablished	Disestablished on 30 November 2016.
Standard Life Dynamic Distribution	Disestablished	Disestablished on 30 November 2016.
Westpac Active Balanced Fund	Disestablished	Disestablished on 30 November 2016.
Westpac Active Conservative Fund	Disestablished	Disestablished on 30 November 2016.
Westpac Active Growth Fund	Disestablished	Disestablished on 30 November 2016.

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

Related Party Transactions

Apart from the change described below, there were no changes to the nature or scale of any related party transactions during the year and all related party transactions were conducted on normal commercial terms and conditions during the year and were on an arm's-length basis.

1. Distribution Agreement with IVCM (Aust) Pty Limited

Lifetime entered into a Distribution Agreement dated 5 October 2016 with IVCM (Aust) Pty Limited in respect of the Scheme, under which IVCM (Aust) Pty Limited will provide promotion services to introduce members to the Scheme. The related party benefits given under transaction is IVCM (Aust) Pty Limited will receive all remaining fees after payment of fund management, administration, supervisory, custodial, audit and fund specific costs.

Other information for particular types of managed funds

The following withdrawals were made from the Scheme.

Withdrawal type	Number
Full withdrawal	
Retirement	0
Permanent early retirement	0
Withdrawal for transition to retirement	0
QROPS withdrawals	0
Significant financial hardship	0
Serious Ill Health	0
Death	0
Transfers to other retirement schemes	25
Total full withdrawals	25
Partial withdrawals	
Permanent retirement	0
Permanent early retirement	0
Withdrawal for transition to retirement	0
QROPS withdrawal	6
Significant financial hardship	0
Other partial withdrawals	0
Total partial withdrawals	6

As at 1 October 2016 the Scheme was a registered superannuation scheme established under the Superannuation Schemes Act 1989 (and other legislation) with the following 15 investment funds:

- AMP Capital Responsible Investment Leaders Balanced Fund
- AMP Capital Responsible Investment Leaders Conservative Fund
- ANZ Investments Balanced Fund
- ANZ Investments Conservative Fund
- ANZ Investments Growth Fund
- CIS Sustainable Diversified Trust
- Jupiter Distribution Fund
- LionTrust Special Situations Fund

- MP Capital Responsible Investment Leaders Growth Fund
- MP Matterley Regular High Income Fund
- Old Mutual Managed Fund
- Standard Life Dynamic Distribution
- Westpac Active Balanced Fund
- Westpac Active Conservative Fund
- Westpac Active Growth Fund.

The Scheme transitioned to the FMCA regime on 1 December 2016. As part of the transition the above 15 investment funds were disestablished on 30 November 2016. Lifetime has limited investment performance information for the period 1 October to 30 November 2016 before it was appointed Manager on 1 December 2016. All members were notified (in accordance with the trust deed) of the investment funds that were being disestablished and the majority chose to transfer their investment to the new investment funds shown in the table below.

The unit prices for the Scheme's investment funds established as at 1 December 2016 are noted below. The start date is the earlier of 1 December 2016 or the the date the investment fund received its first investment:

Investment funds	Start	End
IVCM Emirates Active Fund – Class C ¹	0.99	1.10
IVCM Emirates Balanced Fund – Class C ¹	0.89	0.96
IVCM Emirates Active Fund ⁷	1.03	1.08
IVCM Emirates Balanced Fund ⁷	1.09	1.13
IVCM Vanguard LifeStrategy 40% Equity Fund ⁶	n/a	n/a
IVCM Vanguard LifeStrategy 60% Equity Fund ⁶	n/a	n/a
IVCM Vanguard FTSE 100 Fund ⁴	32.94	33.73
IVCM iShares UK Corporate Bond Fund ⁴	144.79	144.72
IVCM Vanguard Australian Property Fund ⁵	76.87	n/a
IVCM Vanguard Australian Shares Index Fund ³	71.07	73.33
IVCM Vanguard US Total Market Shares Fund ⁵	154.8	n/a
IVCM Vanguard Conservative Index Fund ²	1.16	1.16
IVCM Vanguard Balanced Index Fund ²	1.32	1.33
IVCM iShares Core Moderate Fund ⁶	n/a	n/a
IVCM Vanguard International Shares Index Fund (Hedged) – NZD Class ⁶	n/a	n/a
IVCM Bentham Wholesale Global Income Fund ⁶	n/a	n/a

¹ The investment fund was established on 1 December 2016.

² The investment fund established on 1 August 2017.

³ The investment fund was established on 1 December 2016, but did not receive its first investment until January 2017.

⁴ The investment fund was established on 1 December 2016, but did not receive its first investment until March 2017.

⁵ The investment fund was established on 1 December 2016, received its first investment in January 2017 and disestablished on 31 July 2017.

⁶ The investment fund established on 1 August 2017, but had not received its first investment as at 30 September 2017.

⁷ The investment fund was established on 1 December 2016, but did not receive its first investment until April 2017.

Supervisor's Statement

Public Trust was appointed as Supervisor of the Scheme effective 1 December 2016. As Supervisor of the Scheme, Public Trust, confirms for the period 1 December 2016 to 30 September 2017 that all the contributions required to be made to the Scheme in accordance with the terms of the trust deed have been made.



Ireen Muir

Senior Manager Client Services

Public Trust, Corporate Trustee Services


28 February 2018



Manager's Statement

Lifetime was appointed as Manager of the Scheme effective 1 December 2016. As Manager of the Scheme, Lifetime, confirms for the period 1 December 2016 to 30 September 2017, that:

- all the benefits required to be paid from the Scheme in accordance with the terms of the trust deed and the superannuation scheme rules have been paid; *and*
- the market value of the Scheme's property at the balance date 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 30 September 2017.



Ralph Stewart

Managing Director

Lifetime Asset Management Limited

28 February 2018



John Strahl

Director

Lifetime Asset Management Limited

28 February 2018

Changes to persons involved in the Scheme

This table show what changes were made to persons involved in the Scheme during the period ended 30 September 2017.

Person	Change
The Manager of the Scheme	For the period 1 October to 30 November 2016 IVCM Trustees (NZ) Limited was the Trustee of the Scheme and performed the role of Manager. For compliance with the requirements of the FMCA Lifetime Asset Management was appointed Manager on 1 December 2016.
The directors of the Manager	<p>The directors of the Manager as at 1 December 2016 were:</p> <ul style="list-style-type: none"> • Diana Crossan • Rhys Gwilym • Martin Hawes • Graeme Mitchell • Timothy Paris • Ralph Stewart • John Strahl. <p>During the period 1 December 2016 to 30 September 2017, the Manager had the following director changes:</p> <ul style="list-style-type: none"> • Sir Michael Cullen was appointed as a director on 10 February 2017 • Rhys Gwilym resigned as a director on 1 July 2017.
Key personnel of the Manager	Mark Davis was appointment as a Senior Manager on 1 March 2017.
The Supervisor of the Scheme	For the period 1 October to 30 November 2016 IVCM Trustees (NZ) Limited was the Trustee of the Scheme. For compliance with the requirements of the FMCA Public Trust was appointed Supervisor on 1 December 2016.
Board members of the Supervisor	<p>The members of the Board of the Supervisor as at 1 December 2016 were:</p> <ul style="list-style-type: none"> • Sarah Roberts • Fiona Oliver • Graham Naylor • Bevan Killick • Dianne McAteer • Simon Craddock • Huei Min (Lyn) Lim • John Duncan. <p>During the period 1 December 2016 to 30 September 2017, the Supervisor had the following Board changes:</p> <ul style="list-style-type: none"> • Ian Fitzgerald was appointed as a board member on 22 May 2017 • Huei Min (Lyn) Lim completed her term as board member on

Person	Change
	<p>30 June 2017</p> <ul style="list-style-type: none"> • Sarah Roberts completed her term as Chair and board member on 31 August 2017 • Ian Fitzgerald was appointed as Chair and board member on 1 September 2017.
Administration manager	For the period 1 October to 30 November 2016 IVCM (Aust) Pty Ltd was the Administration Manager. For compliance with the requirements of the FMCA Adminis NZ Limited was appointed as administration manager on 1 December 2016.
The securities registrar, custodian, or auditor of the Scheme	For the period 1 October to 30 November 2016 IVCM Trustees (NZ) Limited was the Securities Registrar and Brooks Macdonald Asset Management (International) Limited as the custodian. For compliance with the requirements of the FMCA Adminis NZ Limited was appointed Securities Registrar and Custodian on 1 December 2016.

How to find further information

Further information relating to the Scheme can be obtained free of charge from the scheme register and the offer register available at **companiesoffice.govt.nz/disclose** (search “IVCM (NZ) PIE Superannuation Fund”).

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

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

The above information is also available free of charge at **ivcm.com** or by contacting us at **newzealand@ivcm.com**

Contact details and complaints

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

Chief Governance Officer
Lifetime Asset Management Limited
Level 3, 120 Featherston Street
Wellington Central
Wellington 6011

Email: **newzealand@ivcm.com**
Phone: **0800 254 338**

You can also contact the Supervisor, Public Trust at:

General Manager, Corporate Trustee Services
Public Trust
Ground Floor, 100 Molesworth Street
Thorndon
Wellington 6140

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

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

Financial Services Complaints Limited
Level 4, 101 Lambton Quay
Wellington Central
Wellington 6011

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

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

You may also contact Adminis NZ Limited (the securities registrar and custodian). They can be contacted at:

Adminis NZ Limited
Level 10, 45 Johnston Street
Wellington Central
Wellington 6011

Email: **operations@adminis.co.nz**
Phone: **(04) 909 7679**