

LIFESTAGES UNIT TRUSTS

Lifestages Mortgage (Distributing) (to be renamed the Corporate Bond Portfolio), Income, World Equity, Australasian Equity, and World Bond Portfolios

Prospectus Date: 29 September 2011

Disclaimer

Southland Building Society ("SBS Bank") does not guarantee (either partially or fully) the capital value or performance of the securities. The principal and returns of the Lifestages Mortgage (Distributing), Income, World Equity, Australasian Equity, and World Bond Portfolios are not guaranteed or secured in any way by SBS Bank (or any other member of the SBS Bank group), Funds Administration New Zealand Limited ("FANZ"), Trustees Executors Limited, or any other person. Investments in the Portfolios do not represent deposits or other liabilities of SBS Bank, and are subject to investment risk, including the possible delays in repayment and loss of income and principal invested.

A signed copy of this Prospectus and copies of the documents required by section 41 of the Securities Act 1978 (being the Auditor's report and the Auditor's consent to that report appearing in this Prospectus) were delivered to the Registrar of Financial Service Providers on 29 September 2011 ("Registration Date") for registration under section 42 of the Securities Act 1978. This Prospectus will expire on 31 December 2011 unless earlier withdrawn or extended.

1	WHAT ARE THE UNIT TRUSTS BEING OFFERED?	1
2	WHAT ARE THE BENEFITS OF INVESTING IN THE LIFESTAGES PORTFOLIOS?.....	1
3	UNIT TRUST TRUSTEE	2
4	MANAGERS, AUDITORS, CUSTODIANS, AND ADVISERS	3
5	SUMMARY OF INVESTMENT PORTFOLIOS OFFERED	5
6	LIFESTAGES MORTGAGE PORTFOLIO (DISTRIBUTING) / LIFESTAGES CORPORATE BOND PORTFOLIO	8
6.1	PROFILE OF THE PORTFOLIO	8
6.2	HOW WILL YOUR PORTFOLIO BE INVESTED?.....	8
6.3	PERFORMANCE HISTORY	9
6.4	FEES AND EXPENSES	9
6.5	DISTRIBUTIONS	11
7	LIFESTAGES INCOME PORTFOLIO.....	11
7.1	PROFILE OF THE PORTFOLIO	11
7.2	HOW WILL YOUR PORTFOLIO BE INVESTED?.....	12
7.3	PERFORMANCE HISTORY	13
7.4	FEES AND EXPENSES.....	14
7.5	DISTRIBUTIONS	15
8	LIFESTAGES WORLD EQUITY PORTFOLIO.....	15
8.1	PROFILE OF THE PORTFOLIO	15
8.2	HOW WILL YOUR PORTFOLIO BE INVESTED?.....	15
8.3	PERFORMANCE HISTORY	16
8.4	FEES AND EXPENSES.....	16
8.5	DISTRIBUTIONS	17
9	LIFESTAGES AUSTRALASIAN EQUITY PORTFOLIO	17
9.1	PROFILE OF THE PORTFOLIO	17
9.2	HOW WILL YOUR PORTFOLIOS BE INVESTED?.....	18
9.3	PERFORMANCE HISTORY	18
9.4	FEES AND EXPENSES.....	19

9.5	DISTRIBUTIONS	20
10	LIFESTAGES WORLD BOND PORTFOLIO	20
10.1	PROFILE OF THE PORTFOLIO	20
10.2	HOW WILL YOUR PORTFOLIO BE INVESTED?	20
10.3	PERFORMANCE HISTORY	21
10.4	FEES AND EXPENSES	21
10.5	DISTRIBUTIONS	23
11	APPLICATIONS, SWITCHES AND WITHDRAWALS	23
11.1	APPLYING FOR UNITS	23
11.2	HOW MUCH DO YOU HAVE TO INVEST?	23
11.3	ACCESSING YOUR PORTFOLIOS	23
11.4	SWITCHING	25
11.5	TRANSFER OF UNITS	25
11.6	INCOME DISTRIBUTIONS	26
11.7	DURATION OF PORTFOLIOS AND PROVISIONS FOR WINDING UP	26
12	OTHER PRINCIPAL TERMS OF THE TRUST DEEDS OF THE LIFESTAGES PORTFOLIOS	26
12.1	FUNCTION OF THE TRUSTEE AND MANAGER	26
12.2	ISSUE PRICES AND UNIT VALUES	30
12.3	VALUATION OF INVESTMENTS	30
12.4	AUTHORISED INVESTMENTS	31
12.5	UNIT HOLDER'S LIABILITY	32
12.6	INTERESTED PERSONS	32
13	OTHER IMPORTANT THINGS TO KNOW	33
13.1	RISK OF YOUR INVESTMENT	33
13.2	TAX	35
13.3	YOUR RIGHTS TO INFORMATION	36
13.4	DISPUTES HANDLING	36
14	INSPECTION AND OBTAINING COPIES OF DOCUMENTS	37
15	OTHER MATERIAL MATTERS	37
16	MATERIAL CONTRACTS	37

17	OTHER TERMS OF OFFER AND UNITS.....	37
18	PENDING PROCEEDINGS.....	37
19	ISSUE EXPENSES	37
20	FINANCIAL STATEMENTS AND AUDIT REPORTS	37
21	MINIMUM SUBSCRIPTION	46
22	GUARANTORS	46
23	ACQUISITION OF BUSINESS OR EQUITY SECURITIES.....	46
24	OPTIONS AND UNITS PAID UP OTHERWISE THAN IN CASH.....	46
25	MANAGER'S STATEMENT	46
26	TRUSTEE'S STATEMENT	47
27	STATUTORY INDEX.....	47

1 WHAT ARE THE UNIT TRUSTS BEING OFFERED?

The investments being offered are Units in the Lifestages Unit Trusts, which have been established under the Unit Trusts Act 1960. They are offered under a Consolidated Master Trust Deed dated 21 September 2007 between Funds Administration New Zealand Limited ("FANZ" or the "Manager") as Manager and Trustees Executors Limited as Trustee.

The Lifestages Mortgage Portfolio (Distributing) Unit Trust (which is to be renamed the Lifestages Corporate Bond Portfolio with effect from 1 November 2011) was established in Christchurch on 1 April 2002. The Lifestages Income Portfolio Unit Trust and Lifestages World Equity Unit Trusts were established in Christchurch on 3 June 2003. The Lifestages Australasian Equity Portfolio Unit Trust was established in Christchurch on 1 October 2004. The Lifestages World Bond Portfolio was established in Invercargill on 1 March 2011. Each Trust has a duration of 80 years (less two days) from the date it was established unless it is terminated earlier (as described in paragraph 11.7 of this Prospectus). Each Portfolio is created by its own Establishment Deed dated the date of its establishment that forms part of the Master Trust Deed. The Establishment Deed for the Lifestages Income Portfolio was amended on 13 August 2008. The Establishment Deed for the Lifestages Mortgage Portfolio (Distributing) was amended on 29 September 2011.

This Prospectus is for the issue of Units in the following Unit Trusts ("Portfolios"):

- Lifestages Mortgage Portfolio (Distributing) (to be renamed the Lifestages Corporate Bond Portfolio with effect from 1 November 2011)
- Lifestages Income Portfolio
- Lifestages World Equity Portfolio

- Lifestages Australasian Equity Portfolio
- Lifestages World Bond Portfolio

The Lifestages Portfolios are "pooled" investments. By investing in a Lifestages Portfolio, you are pooling your funds with other investors. In doing so, you can gain access to a wider range of investment markets than would be possible for most individual investors.

The Portfolios are divided into Units. Each Portfolio has its own Issue Price. The Issue Price is what you pay for your Units in your chosen Portfolio.

The Issue Prices fluctuate according to market conditions. (Refer to paragraph 12.2 for an explanation of how the Issue Prices are calculated).

The Issue Price may include an Entry Fee which is charged on the issue of the Units. You may be charged an Exit Fee on withdrawal of your investment or a Switching Fee if you withdraw from one Portfolio to switch to another Lifestages Portfolio. The current Entry Fees, Exit Fees and Switching Fees which apply at the Registration Date are set out in the table in section 5 of this Prospectus.

There is no maximum number or amount of Units to be issued in any of the Portfolios being offered in this Prospectus.

2 WHAT ARE THE BENEFITS OF INVESTING IN THE LIFESTAGES PORTFOLIOS?

There are benefits in investing in a pooled or managed portfolio.

- Buying Power** Pooling funds with other investors gives the individual investor greater buying power and access to investments often available only to larger institutional

investors.

- Diversification** Large investment pools allow access to a wider range of asset classes or types of investments within a class.
- Risk Reduction** A well-diversified portfolio reduces the risk of loss of capital in the long term and may increase the opportunity to enhance returns.

There are further benefits in investing in the Lifestages Portfolios:

- Investment Expertise** Via the Lifestages Portfolios investors can access some of the world's best investment managers.
- Flexibility** You may switch between any of the Portfolios in this Prospectus to suit your personal circumstances and goals (certain conditions apply – refer to paragraph 11.4).
- Independent Trustee** Trustees Executors Limited, an independent trustee, is appointed to ensure that the terms of the Trust Deed and the Establishment Deeds relating to the Portfolios are adhered to, and to hold the assets of each of the Portfolios on behalf of the investors.

3 UNIT TRUST TRUSTEE

Trustees Executors Limited ("Trustees Executors" or "Trustee") is the trustee of the Portfolios. Trustees Executors Limited was incorporated in New Zealand under the Joint Stock Companies Act 1860 on 6 July 1881 and was re-registered under the

Companies Act 1993 on 30 June 1997. Trustees Executors ultimate holding company is Sterling Grace (NZ) Limited, incorporated in New Zealand on 30 July 2003. Neither Trustees Executors Limited, Sterling Grace (NZ) Limited nor their directors nor any other person guarantees investment in the Portfolios, or any investment return.

The Trustee is independent of the Manager.

The Trustee can be contacted at: Level 5, 10 Customhouse Quay, PO Box 3222, Wellington.

The directors of the Trustee are:

Rt Hon James Brendan Bolger ONZ
Director, Te Kuiti, New Zealand

Deepak Kumar Gupta, BCA, MBA, CFIP
Director, Wellington, New Zealand

Paul Raymond Shelley Hocking, BMS, CA, CSAP
Director, Martinborough, New Zealand

Peter Andrew Metz, CPA, MBA (New York University), BS (Cornell)
Director, New York, United States of America

The directors of the Trustee can be contacted at Trustees Executors, Level 5, 10 Customhouse Quay, PO Box 3222, Wellington.

The address of the Trustee and directors of the Trustee may change from time to time. Unit Holders can obtain the current address of the Trustee and the current directors of the Trustee by calling the Trustee on (04) 495 0995.

The Trustee is indemnified out of the assets of a Portfolio if the Trustee is held personally liable to any person in respect of any debt, liability or obligation incurred by or on behalf of the Portfolio or for any action taken or omitted in connection with the Portfolio to the full extent of any such liability and the costs of any litigation or other proceedings in which such liability is determined (including, without limitation, legal fees and disbursements). The Trustee is also entitled to be reimbursed for all expenses, costs or liabilities incurred in acting as trustee of the Portfolios. However, the Trustee is not entitled to be indemnified out of the assets of a Portfolio in respect of any liability for breach of trust where it has failed to show the degree of care and diligence required of it in its capacity as trustee, having regard to the provisions of the Trust Deed and the powers, authorities, or discretions conferred by it.

The Trustee does not guarantee the repayment of Units or the payment of any earnings on the Units.

4 MANAGERS, AUDITORS, CUSTODIANS, AND ADVISERS

Manager

Funds Administration New Zealand Limited
PO Box 835
51 Don Street
Invercargill

Funds Administration New Zealand Limited (FANZ), a subsidiary of the Southland Building Society (SBS Bank), a registered bank, was incorporated in New Zealand under the Companies Act 1993 on 10 September 2001.

None of FANZ, SBS Bank, Trustees Executors or their directors guarantee the securities offered in this Prospectus.

FANZ may from time to time establish new unit trusts under its management. As at the Registration Date, in addition to the

Portfolios, the only other unit trust managed by the Manager is the Lifestages Deposit Portfolio established on 11 December 2007.

The directors of FANZ are:

Ross Lindsay Smith of Invercargill
Jeffrey Bernard Walker of Invercargill
Graham David Duston of Christchurch
Derek Richmond Young of Wellington
Gregory John Muivey of Invercargill

They can be contacted at FANZ, at the address set out above.

The address of FANZ and the directors of FANZ may change from time to time. Unit Holders can obtain the current address of FANZ and the current directors of FANZ by calling FANZ on 0800 502 442.

FANZ has delegated certain administrative duties and related functions to Trustees Executors.

The fund managers accessed by the Lifestages Portfolios as at the Registration Date are as follows:

New Zealand Fixed Interest and Mortgages

SBS Bank
Tyndall Investment Management New Zealand Limited
New Zealand Cash

FANZ
SBS Bank
Tyndall Investment Management New Zealand Limited
AMP Capital Investors

Australasian Equities

BlackRock
Harbour Asset Management
Milford Asset Management

International Equities

BlackRock
Russell Investment Management

International Bonds

Russell Investment Management

With effect from 1 November 2011, Tyndall Investment Management New Zealand Limited will become an additional fund manager for international bonds.

The fund managers, as well as the styles of those managers, may change from time to time during the currency of this Prospectus. To obtain details of the current fund managers you can contact FANZ on 0800 502 442, any branch of SBS Bank or see your sales consultant or financial planner.

Auditors
KPMG
10 Customhouse Quay
Wellington

Solicitors
Kensington Swan
89 The Terrace
Wellington

Custodian

T.E.A. Custodians Limited
Level 5, 10 Customhouse Quay
P O Box 10519
Wellington

Administration Manager

The Manager, FANZ, has delegated certain administration functions (described in paragraph 12.6 of this Prospectus) to Trustees Executors.

Registrar

Trustees Executors Limited
Level 5, 10 Customhouse Quay
P O Box 10519
Wellington

The Trustee and its custodian (T.E.A. Custodians Limited) are independent of the Manager and the fund managers. The Trustee and its custodian are not independent of the Administration Manager because Trustees Executors is also the Administration Manager of the Portfolios.

Neither the Manager or Administration Manager, or any director of the Manager, or Administration Manager have been adjudicated bankrupt or insolvent, convicted of any crime involving dishonesty, prohibited from acting as a director of a company, or placed in statutory management, voluntary administration, liquidation or receivership in the five years preceding the Registration Date.

No experts are named in this Prospectus.

5 SUMMARY OF INVESTMENT PORTFOLIOS OFFERED

Investors have a choice of investing in one or more of the following Portfolios offered under this Prospectus. The table below provides a summary only of the main features of the Portfolios offered in this Prospectus. Please read this in conjunction with the entire Prospectus.

Portfolio Names	Lifestages Mortgage Portfolio (Distributing) (which is to be renamed the Lifestages Corporate Bond Portfolio with effect from 1 November 2011)	Lifestages Income Portfolio	Lifestages World Equity Portfolio	Lifestages Australasian Equity Portfolio	Lifestages World Bond Portfolio
Investment Strategy¹	During the period from the Registration Date to 31 October 2011 (inclusive), registered first mortgages over residential, commercial and rural property (92.5%), New Zealand fixed interest and cash (7.5%). With effect from 1 November 2011, New Zealand cash (5%), New Zealand and overseas fixed interest (95%).	During the period from the Registration Date to 31 October 2011 (inclusive), New Zealand cash (5%) New Zealand and overseas fixed interest (95%). With effect from 1 November 2011, cash with SBS Bank (2.5% - 10%), New Zealand fixed interest, shares with fixed dividend stream and fixed redemption rate, 'exchange traded' or 'over the counter' futures, options, and interest rate and foreign exchange swap contracts, and pooled investments (90 - 97.5%).	A portfolio of shares invested internationally (95%) and New Zealand fixed interest and cash (5%). The asset allocation is heavily weighted towards shares.	A mixture of shares both in New Zealand and Australia (95%) and New Zealand fixed interest/cash (5%).	New Zealand cash (5%) Overseas fixed interest (95%).
Recommended Minimum Investment Term	at least 3 years	at least 3 years	at least 7 years	at least 7 years	at least 3 years
Minimum Investments²	\$500 \$500 \$100 per month	\$500 \$500 \$100 per month	\$500 \$500 \$100 per month	\$500 \$500 \$100 per month	\$500 \$500 \$100 per month

¹ Underlying investments.

² These minimums may be changed from time to time at the discretion of the Manager.

Portfolio Names	Lifestages Mortgage Portfolio (Distributing) (which is to be renamed the Lifestages Corporate Bond Portfolio with effect from 1 November 2011)	Lifestages Income Portfolio	Lifestages World Equity Portfolio	Lifestages Australasian Equity Portfolio	Lifestages World Bond Portfolio
Fees and Charges³					
Entry Fee⁴	Up to 2.5%	Up to 2.5%	Up to 5%	Up to 5%	Up to 2.5%
Management Fee⁵	During the period from the Registration Date to 31 October 2011 (inclusive), up to 1.25% plus GST pa of the gross asset value of the Portfolio. With effect from 1 November 2011, 0.85% plus GST pa of the gross asset value of the Portfolio, together with a performance fee equivalent to 10%, plus GST, of the Portfolio's return (calculated on a pre-fees and before tax basis) in excess of the Reserve Bank OCR plus 1% per annum, determined on a quarterly basis. The performance fee is subject to 10%, plus GST, of the Portfolio's return (calculated on a pre-fees and before tax basis) in excess of the Reserve Bank OCR plus 1% per annum, determined on a quarterly basis.	Up to 0.65% plus GST pa of the gross asset value of the Portfolio, together with a performance fee equivalent to 10%, plus GST, of the Portfolio's return (calculated on a pre-fees and before tax basis) in excess of the Reserve Bank OCR plus 1% per annum, determined on a quarterly basis. The performance fee is subject to a high water mark reset annually at the start of each financial year.	Up to 1.25% plus GST pa of the gross asset value of the Portfolio, together with a performance fee equivalent to 10%, plus GST, of the Portfolio's return (calculated on a pre-fees and before tax basis) in excess of the Reserve Bank OCR plus 2% per annum, determined on a quarterly basis. The performance fee is subject to a high water mark reset annually at the start of each financial year.	Up to 1.25% plus GST pa of the gross asset value of the Portfolio, together with a performance fee equivalent to 10%, plus GST, of the Portfolio's return (calculated on a pre-fees and before tax basis) in excess of the Reserve Bank OCR plus 2% per annum, determined on a quarterly basis. The performance fee is subject to a high water mark reset annually at the start of each financial year.	Up to 0.85% plus GST pa of the gross asset value of the Portfolio, together with a performance fee equivalent to 10%, plus GST, of the Portfolio's return (calculated on a pre-fees and before tax basis) in excess of the Reserve Bank OCR plus 1% per annum, determined on a quarterly basis. The performance fee is subject to a high water mark reset annually at the start of each financial year.
Trustee Fee⁶	Currently up to 0.1% plus GST pa of the gross asset value of the Portfolio	Currently up to 0.1% plus GST pa of the gross asset value of the Portfolio	Currently up to 0.1% plus GST pa of the gross asset value of the Portfolio	Currently up to 0.1% plus GST pa of the gross asset value of the Portfolio	Currently up to 0.1% plus GST pa of the gross asset value of the Portfolio

³ These fees are current as at the Registration Date. They may change from time to time on 30 days' prior notice to Unit Holders.

⁴ The entry fee is currently exempt from GST.

⁵ The Manager currently accounts for GST in relation to 10% of the services provided to the Portfolios at 15% payable in addition to the management fee and any performance fee referred to above. Any performance fee component of the management fee involves a daily calculation of the annualised performance of the Portfolio against the Reserve Bank Official Cash Rate (OCR) plus the specified percentage over the course of each quarter, with any resulting performance fee payable quarterly in arrears within one week of 31 March, 30 June, 30 September and 31 December. Whilst a performance fee may apply, no rate of return, whether in excess of the OCR or otherwise, is promised or guaranteed in respect of any of the Portfolios.

Portfolio Names	Lifestages Mortgage Portfolio (Distributing) (which is to be renamed the Lifestages Corporate Bond Portfolio with effect from 1 November 2011)	Lifestages Income Portfolio	Lifestages World Equity Portfolio	Lifestages Australasian Equity Portfolio	Lifestages World Bond Portfolio
Switching Fee ⁷	Nil	Nil	Nil	Nil	Nil
Exit Fee ⁸	Nil	Nil	Nil	Nil	Nil

⁶ GST is payable in relation to some or all of the services provided by the Trustee to the Portfolios. In this case, the amount of that GST will be 15% on 75% of the fee payable to the Trustee in addition to the Trustee Fee stated.

⁸ Currently, The Trust Deed provides for the Manager to set a Switching Fee. Switching fees are currently exempt from GST.

⁹ Currently, The Trust Deed provides for a maximum Exit Fee of 5% of the amount withdrawn. Exit fees are currently exempt from GST.

6 LIFESTAGES MORTGAGE PORTFOLIO (DISTRIBUTING) / LIFESTAGES CORPORATE BOND PORTFOLIO

6.1 Profile of the Portfolio

Investment objectives

During the period from the Registration Date to 31 October 2011 (inclusive), to achieve an investment return by investing primarily in a diversified portfolio of first registered mortgages held over residential, commercial and rural properties.

With effect from 1 November 2011 when the Lifestages Mortgage Portfolio (Distributing) will be restructured, to construct a portfolio of authorised investments that earn a gross return in excess of the 90 Day Bank Bill measured over a 3 year rolling period.

Investment Strategy

During the period from the Registration Date to 31 October 2011 (inclusive), the strategy is to focus on providing steady returns. During the period from the Registration Date to 31 October 2011 (inclusive), it is the intention of the Portfolio to invest in first registered mortgages over residential, commercial and rural property, call accounts and short term deposits. The first registered residential mortgages are required to represent up to 80% of the purchase price or valuation of the properties on which they are secured at the time the advance is made. For rural and commercial properties, the ratio can be up to 60%.

With effect from 1 November 2011, the focus of the Portfolio will be to invest in New Zealand and International investment grade income securities. The intention of the Portfolio will be to seek to provide a higher return by investing in a controlled option strategy on bonds, including a portion held in cash.

FANZ may change the investment objectives and strategies from time to time with the approval of the Trustee. Unit Holders will be given at least 30 days' notice of any material change. As at the Registration Date, it is not FANZ's current intention to make any changes (other than those outlined above) to this Portfolio's investment objectives and strategies during the expected currency of this Prospectus.

Who does the Lifestages Mortgage Portfolio (Distributing) suit?

During the period from the Registration Date to 31 October 2011 (inclusive), the Portfolio will suit investors who:

- are seeking income options from an income focused portfolio;
- want a low risk-return balance; and
- have an investment horizon of at least three years.

With effect from 1 November 2011, the Portfolio will suit investors who:

- want a low risk-return balance; and
- have an investment horizon of at least three years.

6.2 How will your Portfolio be invested?

During the period from the Registration Date to 31 October 2011 (inclusive), the Lifestages Mortgage Portfolio (Distributing) invests to gain exposure to specified assets in the manner described below. The benchmark represents where you can expect the Portfolio to be invested under normal circumstances. The ranges are the minimum and maximum percentages of the Portfolio that the Manager usually invests in any one particular asset class*.

Type of Underlying Asset*	Benchmark %	Usual Ranges %	Current %**
Residential Mortgages	92.5%	30 – 95%	30.1%
Commercial Mortgages		0 – 50%	21.5%

Rural Mortgages	0 – 50%	43.0%
New Zealand fixed interest and cash	7.5%	5.4%

*The types of assets, the mix of these assets, and the allowable ranges may change from time to time at the discretion of the Manager, subject to the approval of the Trustee.

**As at 31 August 2011

With effect from 1 November 2011, the Portfolio will invest to gain exposure to specified assets in the manner described below. The benchmark represents where you can expect the Portfolio to be invested under normal circumstances. The ranges are the minimum and maximum percentages of the Portfolio that the Manager usually invests in any one particular asset class*.

Type of Underlying Asset*	Benchmark %	Usual Ranges %
Debt issues BBB+ or higher	95%	0-95%
Debt issues BBB or lower		0-40%
Unrated debt issues		0-10%
Capital Guaranteed Debt Issues		0-45%
Option strategy		0-30%
Cash	5%	5-30%

*The types of assets, the mix of these assets, and the allowable ranges may change from time to time at the discretion of the Manager, subject to the approval of the Trustee.

Details of the current exposure can be obtained at any time by contacting FANZ.

6.3 Performance history

The investment performance of the Portfolio for the five years ended 31 March 2011 is as follows:

Year Ended	Return (p.a.)
31 March 2011	4.12%
31 March 2010	5.16%

31 March 2009	9.09%
31 March 2008	9.90%
31 March 2007	9.14%

All returns are shown gross of tax, fees and expenses and represent the returns of the Portfolio's investments in the ordinary course of its investment mandate.

Please note that past performance is not necessarily an indicator of future performance.

Since the Portfolio was established the Manager has invested the assets of the Portfolio in accordance with the investment strategy of the Portfolio and the terms of the Trust Deed. The Trust Deed was consolidated on 21 September 2007 at which time amendments were made to facilitate the Portfolio becoming a Portfolio Investment Entity ("PIE"), with effect from 1 October 2007, as well as amending provisions relating to taxation amounts to accommodate PIE taxation.

There have been no other material developments relating to the Portfolio since its establishment.

6.4 Fees and Expenses

Fees

Entry Fee

As at the Registration Date, an Entry Fee of up to 2.5% of the amount invested is payable on your initial and each subsequent investment. The Manager reserves the right to waive the Entry Fee at its discretion.

Switching Fee

As at the Registration Date, there is no Switching Fee. The Trust Deed provides that the Manager can charge a Switching Fee

and alter such fee from time to time. The Trust Deed does not stipulate a maximum Switching Fee.

Exit Fee

As at the Registration Date, there is no Exit Fee. The Trust Deed provides that the Manager may charge an Exit Fee of up to 5% of the amount withdrawn and alter that fee from time to time.

Management Fee

During the period from the Registration Date to 31 October 2011 (inclusive), for acting as manager of the Portfolio, the Manager charges a fee of 1.25% plus GST per annum of the gross asset value of the Portfolio calculated daily and payable monthly from the Portfolio. The accrued fees are included in the calculation of Issue Prices and Unit Values.

With effect from 1 November 2011, for acting as Manager of the Portfolio, the Manager will charge a fee of 0.85% plus GST per annum of the gross asset value of the Portfolio calculated daily and payable monthly from the Portfolio. The accrued fees are included in the calculation of Issue Prices and Unit Values. In addition, as part of the Management Fee, the Manager will be entitled to a performance fee equivalent to 10% of the Portfolio's annualised return (calculated on a pre-fees and before tax basis) in excess of the 90 Day Bank Bill Rate per annum, determined on a quarterly basis, plus GST on 10% of the fee at the rate of 15%. This performance fee will be subject to a high water mark, reset annually at the start of each financial year. The effect of this is that the performance fee will only be paid to the extent that the performance for a quarter exceeds the high water mark, for performance during the then current financial year. Whilst a performance fee may apply, no rate of return, whether in excess of the OCR plus 1% per annum or otherwise, is promised or guaranteed in respect of the Portfolio.

As at the Registration date, the Manager accounts for GST in relation to 10% of the services provided to the Portfolio at the

rate of 15%. The Manager can alter the Management Fee by giving 30 days' written notice to Unit Holders. There is no limit to the amount of these fees nor to how much they may be increased by.

If FANZ is removed as Manager of the Portfolio by Extraordinary Resolution of the Unit Holders (otherwise than for negligent or wilful failure to perform its duties and obligations under the Trust Deed) it is entitled to an amount equal to the total fees it has received pursuant to the Establishment Deed for that relevant Portfolio during the 24 months preceding the date of such removal. This compensation is paid from the Portfolio.

Trustee Fee

As at the Registration Date, a Trustee Fee of up to 0.1% per annum of the gross asset value of the Portfolio, calculated monthly, is paid from the Portfolio to the Trustee for acting as Trustee of the Portfolio. The accrued fees are included in the calculation of Issue Prices and Unit Values. The Trustee can alter the Trustee fee by giving one month's notice to Unit Holders. There is no limit to the amount of these fees nor to by how much they may be increased. In addition to its fee, as at the Registration Date, the Trustee is entitled to receive GST in respect of its fee, calculated at the rate of 15% on 75% of its fee.

Expenses

The Trustee and Manager are entitled to be reimbursed out of the Portfolio for all expenses, costs or liabilities incurred by them acting as Trustee (and in the case of its appointment to perform certain administrative services, investment costs, expenses, costs and liabilities in respect of those services) and Manager respectively. These reimbursements are normally reflected in the Issue Price and the Unit Value of the Units in the Portfolio, or taken into account, or deducted when allocating earnings. Where they have not been included in the calculation of the Issue Price or the Unit Value, your share of the fees and

expenses may be deducted from the balance of your investment. There is no limit to the amount of these expenses.

6.5 Distributions

The Lifestages Mortgage Portfolio (Distributing) is suitable for investors who are seeking supplementary income and who may also be seeking competitive fixed interest options for part of a diversified Portfolio.

The Manager's policy is to make distributions of income at the end of March, June, September and December of each year. The amount of the distribution and frequency is at the discretion of the Manager, and the Manager's policy in respect of quarterly distributions may be reviewed from time to time (see paragraph 11.6 for more details).

From 1 November 2011, when the restructure of the Portfolio into the Corporate Bond Portfolio becomes effective, the Portfolio will cease making distributions of income (see paragraph 11.6 for more details). Returns to Unit Holders will be by way of changes in the value of their Units and/or the issue of additional Units in the Portfolio in lieu of any distribution of income.

As at the Registration Date, investors in the Lifestages Mortgage Portfolio (Distributing) have a regular withdrawal option whereby they can request a regular withdrawal from the Portfolio. From 1 November 2011, this option will permit quarterly withdrawals from the Portfolio. Please see paragraph 11.3 for more details.

7 LIFESTAGES INCOME PORTFOLIO

7.1 Profile of the Portfolio

Investment objectives

To construct a portfolio of authorised investments that earn a gross return in excess of the 90 Day Bank Bill measured over a 3 year rolling period.

Investment Strategy

The focus of the Lifestages Income Portfolio is to invest in New Zealand and (until 30 October 2011) International investment grade income securities.

As at the Registration Date, it is the intention of the Lifestages Income Portfolio to seek to provide a higher return by investing in a controlled option strategy on bonds, including a portion held in cash.

From 1 November 2011, it will be the intention of the Lifestages Income Portfolio to focus on high investment grade bonds (including government, local body, and corporate debt) and a controlled interest rate duration strategy.

FANZ may change the investment objectives and strategies from time to time with the approval of the Trustee. Unit Holders will be given at least 30 days' notice of any material change. As at the Registration Date, it is not FANZ's current intention to make any changes to this Portfolio's investment objectives and strategies (other than those outlined above) during the expected currency of this Prospectus.

Who does the Lifestages Income Portfolio suit?

Investors who:

- want a low risk-return balance; and
- have an investment horizon of at least three years.

7.2 How will your Portfolio be invested?

During the period from the Registration Date to 31 October 2011 (inclusive), the Lifestages Income Portfolio currently invests to gain exposure to specified assets in the manner described below. The benchmark represents where you can expect the Portfolio to be invested under normal circumstances. The ranges are the minimum and maximum percentages of the Portfolio that the Manager usually invests in any one particular asset class*.

Type of Underlying Asset*	Benchmark %	Usual Ranges %	Current **
Debt issues BBB+ or higher		0 – 95%	76.5%
Debt issues BBB or lower	95%	0 – 40%	11.1%
Unrated debt issues		0 – 10%	6.5%
Capital Guaranteed Debt Issues		0 – 45%	0%
Option strategy		0 – 30%	0%
Cash	5%	5-10%	5.9%

*The types of assets, the mix of these assets, and the allowable ranges may change from time to time at the discretion of the Manager, subject to the approval of the Trustee.

**As at 31 August 2011

With effect from 1 November 2011, the Lifestages Income Portfolio will invest to gain exposure to specified assets in the manner described below.

1. Cash with SBS Bank.
2. Fixed or floating rate debt issues denominated in NZD or foreign currencies. Foreign exchange exposures will be hedged back to NZD.

Maximum aggregate exposure to securities issued or guaranteed by entities (other than those issued or guaranteed by the NZ Government, the Reserve Bank of New Zealand, or the Local Government Funding Authority) will comply with the following credit rating constraints:

- AAA to BBB- 100%
- AA+ to BBB- 85%
- A+ to BBB- 45%
- BBB+ to BBB- 15%

Maximum exposure to securities issued or guaranteed by any one entity (other than those issued or guaranteed by the NZ Government, Reserve Bank of New Zealand, or the Local Government Funding Authority) will comply with the following credit rating constraints:

- AAA 10%
- AA+ to AA- 8%
- A+ to A- 6%
- BBB+ to BBB- 4%

No exposure to securities rated lower than BBB- (by Standard and Poor's or an equivalent rating agency) will be permitted.

Unrated securities will not be held, except for local authority securities which have been allocated a manager rating A- or higher.

Exposure to any local government funding authority will be permissible as described above while it retains a credit rating of AA or higher.

Investment in foreign currency denominated issues of NZ entities will be permitted up to 10% of the Portfolio, provided these exposures are hedged back to NZ dollars.

Details of the current exposure can be obtained at any time by contacting FANZ.

7.3 Performance history

The investment performance of the Portfolio for the five years ended 31 March 2011, which was initially achieved through following an investment strategy based on achieving capital stability and steady growth by investing primarily to provide exposure to a diversified portfolio of first registered mortgages over residential, commercial and rural property, call accounts and short term deposits, is as follows:

Year Ended	Return (p.a.)
31 March 2011	4.33%
31 March 2010	5.34%
31 March 2009	4.69%
31 March 2008	7.90%
31 March 2007	7.37%

All returns are shown gross of tax, fees and expenses and represent the returns of the Portfolio's investments in the ordinary course of its investment mandate.

Please note that past performance is not necessarily an indicator of future performance.

The investment objectives and investment strategy of the Portfolio changed materially on 21 September 2007 as noted in the following paragraph, and again on 29 September 2011 with effect from 1 November 2011 as outlined in paragraph 7.2.

Since the Portfolio was established the Manager has invested the assets of the Portfolio in accordance with the investment strategy of the Portfolio as varied from time to time and the terms of the Trust Deed. Prior to 21 September 2007, the Portfolio was invested so as to provide exposure to first registered mortgages over residential, commercial and rural

Investment in collateralised debt obligations, collateralised loan obligations, or credit default swaps is not permitted.

3. Shares with a fixed dividend stream and a fixed redemption date.

4. 'Exchange traded' or 'over the counter' futures, options and interest rate and foreign exchange swap contracts. The market value of the exposure must be fully covered by cash or backed by physical assets.

Derivatives will be measured on a notional face value basis and may not exceed 100% of the net market value of the Portfolio

Derivatives may be exchange traded or purchased over the counter subject to each counterparty being rated AA- or higher by Standard and Poor's and a current International Swap Dealers Association (ISDA) agreement being in place between the Manager and each counterparty.

5. Investment in pooled investments that meet or exceed in part or in full the objectives and risk characteristics of the Portfolio.

6. Any other income strategies approved by the Trustee.

The investment ranges of the Portfolio are as follows:

	Fund Exposure	Maximum Exposure per Issue
Cash (SBS)	2.5%-10%	10%
NZ Fixed Interest	90%-97.5%	See above for details

property, call accounts and short term deposits, and was known as the Lifestages Mortgage Portfolio (Non-Distributing). That name change is reflected in a deed amending the Portfolio's Establishment Deed, dated 13 August 2008. The Trust Deed was consolidated on 21 September 2007 at which time amendments were made to facilitate the Portfolio becoming a PIE, with effect from 1 October 2007, as well as amending provisions relating to taxation amounts to accommodate PIE taxation.

There have been no other material developments relating to the Portfolio since its establishment.

7.4 Fees and Expenses

Fees

Entry Fee

As at the Registration Date, an Entry Fee of up to 2.5% of the amount invested is payable on your initial and each subsequent investment. The Manager reserves the right to waive the Entry Fee at its discretion.

Switching Fee

As at the Registration Date, there is no Switching Fee. The Trust Deed provides that the Manager can charge a Switching Fee and alter such fee from time to time. The Trust Deed does not stipulate a maximum Switching Fee.

Exit Fee

As at the Registration Date, there is no Exit Fee. The Trust Deed provides that the Manager may charge an Exit Fee of up to 5% of the amount withdrawn and alter that fee from time to time.

Management Fee

As at the Registration Date, for acting as Manager of the Portfolio, the Manager charges a fee of 0.65% plus GST per annum of the gross asset value of the Portfolio calculated daily and payable monthly from the Portfolio. The accrued fees are included in the calculation of Issue Prices and Unit Values. As at the Registration Date, the Manager accounts for GST in relation to 10% of the services provided to the Portfolio at the rate of 15%.

In addition, as part of the Management Fee, the Manager is entitled to a performance fee equivalent to 10% of the Portfolio's annualised return (calculated on a pre-fees and before tax basis) in excess of the Reserve Bank OCR plus 1% per annum, determined on a quarterly basis, plus GST on 10% of the fee at the rate of 15%. This performance fee will be subject to a high water mark, reset annually at the start of each financial year. The effect of this is that the performance fee will only be paid to the extent that the performance for a quarter exceeds the high water mark, for performance during the then current financial year. Whilst a performance fee may apply, no rate of return, whether in excess of the OCR plus 1% per annum or otherwise, is promised or guaranteed in respect of the Portfolio.

The Manager can alter the Management Fee by giving 30 days' written notice to Unit Holders. Unless otherwise agreed by the Trustee and the Manager, the Management Fee cannot be increased above 5% of the gross asset value of the Portfolio.

If FANZ is removed as Manager of the Portfolio by Extraordinary Resolution of the Unit Holders (otherwise than for negligent or wilful failure to perform its duties and obligations under the Trust Deed) it is entitled to an amount equal to the total fees it has received pursuant to the Establishment Deed for that relevant Portfolio during the 24 months preceding the date of such removal. This compensation is paid from the Portfolio.

Trustee Fee

As at the Registration Date, a Trustee Fee of up to 0.1% per annum of the gross asset value of the Portfolio, calculated monthly, is paid from the Portfolio to the Trustee for acting as Trustee of the Portfolio. The accrued fees are included in the calculation of Issue Prices and Unit Values. The Trustee can alter the Trustee fee by giving one month's notice to Unit Holders. There is no limit to the amount of these fees nor to by how much they may be increased. In addition to its fee, as at the Registration Date, the Trustee is entitled to receive GST in respect of its fee, calculated at 15% on 75% of its fee.

Expenses

The Trustee and Manager are entitled to be reimbursed out of the Portfolio for all expenses, costs or liabilities incurred by them acting as Trustee (and in the case of its appointment to perform certain administrative services, investment costs, expenses, costs and liabilities in respect of those services) and Manager respectively. These reimbursements are normally reflected in the Issue Price and the Unit Value of the Units in the Portfolio, or taken into account, or deducted when allocating earnings. Where they have not been included in the calculation of the Issue Price or the Unit Value, your share of the fees and expenses may be deducted from the balance of your investment. There is no limit to the amount of these expenses.

7.5 Distributions

As at the Registration date, the Portfolio makes no distributions of income (see paragraph 11.6 for more details). Returns to Unit Holders will be by way of changes in the value of their Units and/or the issue of additional Units in the Portfolio in lieu of any distribution of income.

8 LIFESTAGES WORLD EQUITY PORTFOLIO

8.1 Profile of the Portfolio

Investment objective

To achieve capital growth and returns over the long-term.

Investment Strategy

The current strategy is to focus on achieving capital growth and returns over the long term.

The Lifestages World Equity Portfolio's underlying assets currently comprise:

- International shares; and
- New Zealand fixed interest and cash.

FANZ may change the underlying investment managers and the investment objectives and strategies from time to time with the approval of the Trustee. Unit Holders will be given at least 30 days' notice of any material change. As at the Registration Date, it is not FANZ's current intention to make any changes to this Portfolio's investment objectives and strategies during the expected currency of this Prospectus.

Who does the Lifestages World Equity Portfolio suit?

Investors who:

- are seeking a Portfolio focused on capital growth;
- want a high risk-return balance; and
- have an investment horizon of at least seven years.

8.2 How will your Portfolio be invested?

The Lifestages World Equity Portfolio currently invests to gain exposure to specified assets in the manner described below. The benchmark represents where you can expect the Portfolio to be invested under normal circumstances. The ranges are the

minimum and maximum percentages of the Portfolio that the Manager usually invests in any one particular asset class*.

Type of Underlying Asset*	Benchmark %	Usual Ranges %	Current**
International shares	95%	90-97%	94.1%
New Zealand fixed interest/cash	5%	3-10%	5.9%

*The types of assets, the mix of these assets, and the allowable ranges may change from time to time at the discretion of the Manager, subject to the approval of the Trustee.

**As at 31 August 2011

Details of the current exposure can be obtained at any time by contacting FANZ.

8.3 Performance history

The investment performance of the Portfolio for the five years ended 31 March 2011 is as follows:

Year Ended	Return (p.a.)
31 March 2011	4.44%
31 March 2010	35.79%
31 March 2009	-22.36%
31 March 2008	-5.42%
31 March 2007	2.58%

All returns are shown gross of tax, fees and expenses and represent the returns of the Portfolio's investments in the ordinary course of its investment mandate.

Please note that past performance is not necessarily an indicator of future performance.

Since the Portfolio was established the Manager has invested the assets of the Portfolio in accordance with the investment strategy of the Portfolio and the terms of the Trust Deed. The

Trust Deed was consolidated on 21 September 2007 at which time amendments were made to facilitate the Portfolio becoming a PIE, with effect from 1 October 2007, as well as amending provisions relating to taxation amounts to accommodate PIE taxation.

There have been no other material developments relating to the Portfolio since its establishment.

8.4 Fees and Expenses

Fees

Entry Fee

As at the Registration Date, an Entry Fee of up to 5% of the amount invested is payable on your initial and each subsequent investment. The Manager reserves the right to waive the Entry Fee at its discretion.

Switching Fee

As at the Registration Date, there is no Switching Fee. The Trust Deed provides that the Manager can charge a Switching Fee and alter such fee from time to time. The Trust Deed does not stipulate a maximum Switching Fee.

Exit Fee

As at the Registration Date, there is no Exit Fee. The Trust Deed provides that the Manager may charge an Exit Fee of up to 5% of the amount withdrawn and alter that fee from time to time.

Management Fee

As at the Registration Date, for acting as Manager of the Portfolio, the Manager charges a fee of 1.25% plus GST per annum of the gross asset value of the Portfolio calculated daily and payable monthly from the Portfolio. The accrued fees are included in the calculation of Issue Prices and Unit Values. As at the Registration Date, the Manager accounts for GST in relation

to 10% of the services provided to the Portfolio at the rate of 15%.

In addition, as part of the Management Fee, the Manager is entitled to a performance fee equivalent to 10% of the Portfolio's annualised return (calculated on a pre-fees and before tax basis) in excess of the Reserve Bank OCR plus 2% per annum, determined on a quarterly basis, plus GST on 10% of the fee at a rate of 15%. This performance fee will be subject to a high water mark, reset annually at the start of each financial year. The effect of this is that the performance fee will only be paid to the extent that the performance for a quarter exceeds the high water mark for performance during the then current financial year. Whilst a performance fee may apply, no rate of return, whether in excess of the OCR plus 2% per annum or otherwise, is promised or guaranteed in respect of the Portfolio.

The Manager can alter the Management Fee by giving 30 days' written notice to Unit Holders. Unless otherwise agreed by the Trustee and the Manager, the Management Fee cannot be increased above 5% of the gross asset value of the Portfolio.

If FANZ is removed as Manager of the Portfolio by Extraordinary Resolution of the Unit Holders (otherwise than for negligent or wilful failure to perform its duties and obligations under the Trust Deed) it is entitled to an amount equal to the total fees it has received pursuant to the Establishment Deed for that relevant Portfolio during the 24 months preceding the date of such removal. This compensation is paid from the Portfolio.

Trustee Fee

As at the Registration date, a Trustee Fee of up to 0.1% per annum of the gross asset value of the Portfolio, calculated monthly, is paid from the Portfolio to the Trustee for acting as Trustee of the Portfolio. The accrued fees are included in the calculation of Issue Prices and Unit Values. The Trustee can alter the Trustee fee by giving one month's notice to Unit Holders. There is no limit to the amount of these fees nor to by

how much they may be increased. In addition to its fee, as at the Registration Date, the Trustee is entitled to receive GST or duty payable in respect of its fee, currently calculated at the rate of 15% on 75% of its fee.

Expenses

The Trustee and Manager are entitled to be reimbursed out of the Portfolio for all expenses, costs or liabilities incurred by them acting as Trustee (and in the case of its appointment to perform certain administrative services, investment costs, expenses, costs and liabilities in respect of those services) and Manager respectively. These reimbursements are normally reflected in the Issue Price and the Unit Value of the Units in the Portfolio, or taken into account, or deducted when allocating earnings. Where they have not been included in the calculation of the Issue Price or the Unit Value, your share of the fees and expenses may be deducted from the balance of your investment. There is no limit to the amount of these expenses.

8.5 Distributions

As at the Registration Date, the Portfolio makes no distributions of income (see paragraph 11.6 for more details). Returns to Unit Holders will be by way of changes in the value of their Units and/or the issue of additional Units in the Portfolio in lieu of any distribution of income.

9 LIFESTAGES AUSTRALASIAN EQUITY PORTFOLIO

9.1 Profile of the Portfolio

Investment objective

To achieve capital growth and returns over the long-term.

Investment Strategy

The current strategy is to focus on achieving capital growth and returns over the long term.

The Lifestages Australasian Equity Portfolio's underlying assets currently comprise:

- Investments in New Zealand and Australian shares, and
- New Zealand fixed interest and cash.

FANZ may change the underlying investment managers and the investment objectives and strategies from time to time with the approval of the Trustee. Unit Holders will be given at least 30 days' notice of any material change. As at the Registration Date, it is not FANZ's current intention to make any changes to this Portfolio's investment objectives and strategies during the expected currency of this Prospectus.

Who does the Lifestages Australasian Equity Portfolio suit?

Investors who:

- are seeking a Portfolio focused on capital growth;
- want a high risk-return balance; and
- have an investment horizon of at least seven years.

9.2 How will your Portfolios be invested?

The Lifestages Australasian Equity currently invests to gain exposure to specified assets in the manner described below. The benchmark represents where you can expect the Portfolio to be invested under normal circumstances. The ranges are the minimum and maximum percentages of the Portfolio that the Manager usually invests in any one particular asset class*.

Type of Underlying Asset*	Benchmark %	Usual Ranges %	Current**
New Zealand and Australian shares	95%	90-97.5%	92.1%

New Zealand fixed interest/cash	5%	2.5 - 10%	7.9%
---------------------------------	----	-----------	------

*The types of assets, the mix of these assets, and the allowable ranges may change from time to time at the discretion of the Manager, subject to the approval of the Trustee.

**As at 31 August 2011

Details of the current exposure can be obtained at any time by contacting FANZ.

9.3 Performance history

The investment performance for the Portfolio for the five years ended 31 March 2011 is as follows:

Year Ended*	Return (p.a.)
31 March 2011	1.40%
31 March 2010	26.76%
31 March 2009	-8.48%
31 March 2008	-1.93%
31 March 2007	15.42%

All returns are shown gross of tax, fees and expenses and represent the returns of the Portfolio's investments in the ordinary course of its investment mandate.

Please note that past performance is not necessarily an indicator of future performance.

Since the Portfolio was established the Manager has invested the assets of the Portfolio in accordance with the investment strategy of the Portfolio and the terms of the Trust Deed. The Trust Deed was consolidated on 21 September 2007 at which time amendments were made to facilitate the Portfolio becoming a PIE, with effect from 1 October 2007, as well as amending provisions relating to taxation amounts to accommodate PIE taxation.

There have been no other material developments relating to the Portfolio since its establishment.

9.4 Fees and Expenses

Fees

Entry Fee

As at the Registration Date, an Entry Fee of up to 5% of the amount invested is payable on your initial and each subsequent investment. The Manager reserves the right to waive the Entry Fee at its discretion.

Switching Fee

As at the Registration Date, there is no Switching Fee. The Trust Deed provides that the Manager can charge a Switching Fee and alter such fee from time to time. The Trust Deed does not stipulate a maximum Switching Fee.

Exit Fee

As at the Registration Date, there is no Exit Fee. The Trust Deed provides that the Manager may charge an Exit Fee of up to 5% of the amount withdrawn and alter that fee from time to time.

Management Fee

As at the Registration Date, for acting as Manager of the Portfolio, the Manager charges a fee of 1.25% plus GST per annum of the gross asset value of the Portfolio calculated daily and payable monthly from the Portfolio. The accrued fees are included in the calculation of Issue Prices and Unit Values. As at the Registration Date, the Manager accounts for GST in relation to 10% of the services provided to the Portfolio at the rate of 15%.

In addition, as part of the Management Fee, the Manager is entitled to a performance fee equivalent to 10% of the Portfolio's

annualised return (calculated on a pre-fees and before tax basis) in excess of the Reserve Bank OCR plus 2% per annum, determined on a quarterly basis, plus GST on 10% of the fee at the rate of 15%. This performance fee will be subject to a high water mark, reset annually at the start of each financial year. The effect of this is that the performance fee will only be paid to the extent that the performance fee for a quarter exceeds the high water mark for performance during the then current financial year. Whilst a performance fee may apply, no rate of return, whether in excess of the OCR plus 2% per annum or otherwise, is promised or guaranteed in respect of the Portfolio.

The Manager can alter the Management fee by giving 30 days' written notice to Unit Holders. The Management Fee cannot be increased above 5% of the gross asset value of the Portfolio.

If FANZ is removed as Manager of the Portfolio by Extraordinary Resolution of the Unit Holders (otherwise than for negligent or wilful failure to perform its duties and obligations under the Trust Deed) it is entitled to an amount equal to the total fees it has received pursuant to the Establishment Deed for that relevant Portfolio during the 24 months preceding the date of such removal. This compensation is paid from the Portfolio.

Trustee Fee

As at the Registration Date, a Trustee Fee of up to 0.1% per annum of the gross asset value of the Portfolio calculated monthly, is paid from the Portfolio to the Trustee for acting as Trustee of the Portfolio. The accrued fees are included in the calculation of Issue Prices and Unit Values. The Trustee can alter the Trustee fee by giving one month's notice to Unit Holders. There is no limit to the amount of these fees nor to by how much they may be increased. In addition to its fee, the Trustee is entitled to receive GST or duty payable in respect of its fee, currently calculated at the rate of 15% on 75% of its fee.

Expenses

The Trustee and Manager are entitled to be reimbursed out of the Portfolio for all expenses, costs or liabilities incurred by them acting as Trustee (and in the case of its appointment to perform certain administrative services, investment costs, expenses, costs and liabilities in respect of those services) and Manager respectively. These reimbursements are normally reflected in the Issue Price and the Unit Value of the Units in the Portfolio, or taken into account, or deducted when allocating earnings. Where they have not been included in the calculation of the Issue Price or the Unit Value, your share of the fees and expenses may be deducted from the balance of your investment. There is no limit to the amount of these expenses.

9.5 Distributions

As at the Registration Date, the Portfolio makes no distributions of income (see paragraph 11.6 for more details). Returns to Unit Holders will be by way of changes in the value of their Units and/or the issue of additional Units in the Portfolio in lieu of any distribution of income.

10 LIFESTAGES WORLD BOND PORTFOLIO

10.1 Profile of the Portfolio

Investment objectives

To provide exposure to a diversified portfolio of global fixed income securities hedged into New Zealand dollars that seeks to earn a gross return in excess of its benchmark (the Barclays Capital Global Aggregate Index – NZ\$ Hedged) measured over a 3 year rolling period.

Investment Strategy

The focus of the Portfolio is investment in international investment grade income securities.

As at the Registration Date, it is the intention of the Portfolio to seek to provide a higher return by investing in a portfolio of bonds aimed at generating a higher rate of return, although a portion of the Portfolio will be held in cash for liquidity.

FANZ may change the investment objectives and strategies from time to time with the approval of the Trustee. Unit Holders will be given at least 30 days' notice of any material change. As at the Registration Date, it is not FANZ's current intention to make any changes to the Portfolio's investment objectives and strategies during the expected currency of this Prospectus.

Who does the Lifestages World Bond Portfolio suit?

Investors who:

- want a low risk-return balance; and
- have an investment horizon of at least three years.

10.2 How will your Portfolio be invested?

The Lifestages World Bond Portfolio currently invests to gain exposure to specified assets in the manner described below. The ranges are the minimum and maximum percentages of the Portfolio that the Manager usually invests in any one particular asset class*.

Type of Underlying Asset*	Usual Ranges %	Current**
Cash	2.5-10%	4.8%
Global Bond Exposure	62.5-97.5%	95.2%
Inflation Linked Bonds	0-35%	0%

*The types of assets, the mix of these assets, and the allowable ranges may change from time to time at the discretion of the Manager, subject to the approval of the Trustee.

** As at 31 August 2011

Global bond exposure is currently 100% hedged back to the New Zealand dollar.

As at the Registration date, the Portfolio is constructed to achieve a weighted average credit rating of AA on capital invested. The minimum rating required for any issue held by the Portfolio is currently BBB-. These criteria may change in the future.

As at the Registration Date:

- no more than 10% of the Portfolio may be exposed to any single issuer;
- no more than 4% of the Portfolio can be invested with any non-government issuer with a rating A- or better; and
- no more than 3% of the Portfolio can be invested with any non-government issuer with a rating below A-.

The Fund is not authorised to invest in collateralised debt obligations (CDOs).

These limitations may change in the future.

The ratings referred to above are the long term credit rating scale of Standard & Poor's. An equivalent short term rating or an equivalent rating from another recognised rating agency is permitted.

The exposure to each underlying asset class will move within the permitted range. Details of the current exposure can be obtained at any time by contacting FANZ.

10.3 Performance history

The investment performance for the Portfolio for the year ended 31 March 2011 is as follows:

Year Ended	Return (p.a.)
31 March 2011	0.0% (annualised)*

* The performance figure for the year ended 31 March 2011 is based on the period following the commencement of business on 1 March 2011.

All returns are shown gross of tax, fees and expenses and represent the returns of the Portfolios investments in the ordinary course of its investment mandate.

Please note that past performance is not necessarily an indication of future performances.

Since the Portfolio was established the Manager has invested the assets of the Portfolio in accordance with the investment strategy of the Portfolio and the terms of the Trust Deed.

The retail offer of Units in the Lifestages World Bond Portfolio commenced on 31 March 2011. There have been no other material developments relating to the Portfolio since its establishment.

10.4 Fees and Expenses

Fees

Entry Fee

As at the Registration Date, an Entry Fee of up to 2.5% of the amount invested is payable on your initial and each subsequent investment. The Manager reserves the right to waive the Entry Fee at its discretion.

Switching Fee

As at the Registration Date, there is no Switching Fee. The Trust Deed provides that the Manager can charge a Switching Fee and alter such fee from time to time. The Trust Deed does not stipulate a maximum Switching Fee.

Exit Fee

As at the Registration Date, there is no Exit Fee. The Trust Deed provides that the Manager may charge an Exit Fee of up to 5% of the amount withdrawn and alter that fee from time to time.

Management Fee

As at the Registration Date, for acting as manager of the Portfolio, the Manager charges a fee of 0.85% plus GST per annum of the gross asset value of the Portfolio calculated daily and payable monthly from the Portfolio. The accrued fees are included in the calculation of Issue Prices and Unit Values. The Manager currently accounts for GST in relation to 10% of the services provided to the Portfolio at the rate of 15%.

In addition, as part of the Management Fee, the Manager is entitled to a performance fee equivalent to 10% of the Portfolio's annualised return (calculated on a pre-fees and before tax basis) in excess of the Reserve Bank OCR plus 1% per annum, determined on a quarterly basis, plus GST on 10% of the fee at the rate of 15%. This performance fee is subject to a high water mark reset annually at the start of each financial year. The effect of this is that the performance fee will only be paid to the extent that the performance for a quarter exceeds the high water mark, for performance during the then current financial year. Whilst a performance fee may apply, no rate of return, whether in excess of the OCR plus 1% per annum or otherwise, is promised or guaranteed in respect of the Portfolio.

The Manager can alter the Management Fee by giving 30 days' written notice to Unit Holders. The Management Fee cannot be

increased above 5% of the gross asset value of the Portfolio without an amendment to the Establishment Deed.

If FANZ is removed as Manager of the Portfolio by Extraordinary Resolution of the Unit Holders (otherwise than for negligent or wilful failure to perform its duties and obligations under the Trust Deed) it is entitled to an amount equal to the total fees it has received pursuant to the Establishment Deed for that relevant Portfolio during the 24 months preceding the date of such removal. This compensation is paid from the Portfolio.

Trustee Fee

As at the Registration Date, a Trustee Fee up to 0.1% per annum of the gross asset value of the Portfolio, calculated monthly, is paid from the Portfolio to the Trustee for acting as Trustee of the Portfolio. The accrued fees are included in the calculation of Issue Prices and Unit Values. The Trustee can alter the Trustee fee by giving one month's notice to Unit Holders. There is no limit to the amount of these fees nor to by how much they may be increased. In addition to its fee, as at the Registration Date, the Trustee is entitled to receive GST in respect of its fee, currently calculated at the rate of 15% on 75% of its fee.

Expenses

The Trustee and Manager are entitled to be reimbursed out of the Portfolio for all expenses, costs or liabilities incurred by them acting as Trustee (and in the case of its appointment to perform certain administrative services, investment costs, expenses, costs and liabilities in respect of those services) and Manager respectively. These reimbursements are normally reflected in the Issue Price and the Unit Value of the Units in the Portfolio, or taken into account, or deducted when allocating earnings. Where they have not been included in the calculation of the Issue Price or the Unit Value, your share of the fees and expenses may be deducted from the balance of your investment by way of cancellation of Units. There is no limit to the amount of these expenses.

10.5 Distributions

As at the Registration Date, the Portfolio makes no distributions of income (see paragraph 11.6 for more details). Returns to Unit Holders will be by way of changes in the value of their Units and/or the issue of additional Units in the Portfolio in lieu of any distribution of income.

11 APPLICATIONS, SWITCHES AND WITHDRAWALS

11.1 Applying for Units

You need to complete an Application Form that can be found in the current Lifestages Portfolios Investment Statement. Each Application must be signed and lodged together with payment in full. You may also be required to provide reasonable evidence of your identity. The law requires verification of your identity before your application is processed. You can invest in the Lifestages Portfolios on your own, with another person, in trust for any person, or as a company.

The Manager has the discretion to refuse any application for Units and is not required to give any reason or ground for rejection. If it rejects an Application, the Manager will promptly refund any money. Interest will not generally be paid on application moneys refunded, although the Manager retains a discretion to pay interest if it considers it appropriate. Money received or held in respect of an Application is not part of the Portfolio unless and until, and then only to the extent that, the Application is accepted. Units are deemed to be issued or sold to the Applicant on the date on which the Manager accepts the Application.

Once your application has been accepted, you will receive confirmation of the details of your investment, including the number of Units allocated to you.

With the prior consent of the Manager and subject to meeting any prescribed minimum amounts, an Application may be designated as a Standing Application. In such a case, you need to specify to which Lifestages Portfolio(s) your future regular investments should be applied, and make arrangements for the Manager to receive the appropriate Application money on the date of each recurring Application.

The Manager may issue additional Units in a Portfolio in lieu of any distribution of income it determines to make in the name of the Unit Holder if the Unit Holder so elects.

As at the Registration Date, only the Lifestages Mortgage Portfolio (Distributing) makes distributions, and this will cease from 1 November 2011 when the restructure of that Portfolio into the Lifestages Corporate Bond Portfolio becomes effective (see paragraph 11.6 for more details). The Manager's policy in this respect may change in the future.

11.2 How much do you have to Invest?

Minimum Initial Investment

The minimum initial investment in each Portfolio is \$500. There is no restriction on the maximum amount you can invest.

Minimum Additional Investment

The minimum additional investment per Portfolio is \$500.

Minimum Regular Investment

The minimum regular investment in each Portfolio is \$100 per month.

The above minimums may change in the future.

11.3 Accessing your Portfolios

To withdraw your investment, you need to send a notice to the Registrar, Trustees Executors Limited, PO Box 409, Wellington.

Further details may be obtained by calling your local building society, or SBS Bank.

Withdrawals must be for at least \$100 and must not reduce the remaining Portfolio holding below \$500, unless all Units are withdrawn.

Except where a suspension is in place (see the section headed "Suspension of Withdrawals" below), the Manager is required to make payment within 25 working days after receipt of a withdrawal form. The present aim is to make payment within 10 working days.

If Units in the Portfolio are withdrawn, the holder of those Units is paid the Withdrawal Amount per unit calculated by dividing the "Withdrawal Value" of the Portfolio by the number of Units in the Portfolio and rounding down to the nearest cent. Readers should refer to the Trust Deed for the definition of "Withdrawal Value". Generally, the Withdrawal Value for the Portfolio at any time is the market value of all the authorised investments of the Portfolio at that time less the liabilities of the Portfolio, accrued expenses and all direct transaction costs which would be charged if all of the Units in the Portfolio were sold at that time.

The Withdrawal Value is calculated as at the Unit Value Determination Day immediately preceding the working day on which the Withdrawal Notice is received. The "Unit Value Determination Day" in relation to any Portfolio is a specific time in a day determined by the Manager one week from the previous Unit Value Determination Day (or such other period from the previous Unit Value Determination Day as the Manager may determine with the approval of the Trustee). However, if that day is not a working day, then it is the next working day.

If you withdraw all your Units in the Lifestages Mortgage Portfolio (Distributing), you will be entitled to a share of any income distribution the Manager determines to make from the Portfolio for the quarter in which you withdraw your Units. The amount of

your distribution entitlement will be based on the number of days in the quarter that you held Units in the Portfolio, and will be paid to you separately at the next distribution date.

As at the Registration Date, investors in the Lifestages Mortgage Portfolio (Distributing) have a regular withdrawal option whereby they can request a regular monthly (changing to quarterly with effect from 1 November 2011) withdrawal from the Portfolio subject to a minimum regular withdrawal payment of \$100 and provided that the total amount withdrawn over any 12 month period (commencing on the date of your initial investment) may not exceed 25% of the initial lump sum investment and any subsequent investments made by the investor to that Portfolio. Quarterly payments are calculated on the Unit Value Determination Day immediately preceding the 15th of March, June, September and December of each year, and are paid at the end of March, June and September, and around 15 December. The monthly payment scheduled for October 2011 will be calculated on the Unit Value Determination Day immediately preceding the 15th of October 2011. The Manager may cancel or vary the terms of this regular withdrawal option on 30 days' written notice to Unit Holders.

Upon acceptance of a withdrawal request (or in respect of any withdrawal under the regular withdrawal option) the Manager will redeem the Units.

See the commentary in paragraph 13.2 of this prospectus under the heading 'Tax' for information on the tax consequences of making a withdrawal.

Suspension of Withdrawals

If by reason of:

- the suspension of trading on any stock exchange;
- the financial, political or economic conditions applying in any financial market;

- the nature of any authorised investment;
- total investments in a Portfolio becoming less than the Minimum Holding (currently \$50,000);
- the occurrence of existence of any other circumstance or event;
- the occurrence of an event terminating the Portfolio; and/or
- the receipt of a withdrawal notice which relates to a number of Units or dollar value of Units representing 10% or more of the Withdrawal Value of the Portfolio;

it would be materially prejudicial to the interests of any Unit Holders for Units to be redeemed, the Manager may suspend the rights of all Unit Holders to withdraw from the Portfolio by giving a "Withdrawal Suspension Notice", to all Unit Holders in that Portfolio. The Manager must, unless the Trustee otherwise agrees, give notice of cancellation of a Withdrawal Suspension Notice not later than 3 months after the date on which that Withdrawal Suspension Notice was given. The Trustee will not unreasonably withhold its consent to an extension of the operation of a Withdrawal Suspension Notice beyond that period of 3 months. There is no limit on the extension of time that the Trustee may consent to.

11.4 Switching

You may apply to transfer all or part of your investment in one Portfolio to another Lifestages Portfolio by giving written notice to the Manager, subject to any withdrawal Suspension Notice that may be in force. Switches can be requested by completing the switching request form and returning it to the Manager.

According to the Trust Deed, switching is a withdrawal and reapplication, and the provisions of the Trust Deed relating to these matters regulate the Manager's conduct in relation to switching. See paragraph 11.3 for general restrictions on withdrawals that may apply.

When you make a switch, the value of the Units withdrawn is determined in the same manner as if a Withdrawal Notice had

been given in respect of them. New Units in the Lifestages Portfolio to which you wish to switch will then be issued to you at the Issue Price for those Units. The Trust Deed provides that the Manager can charge a Switching Fee and alter such fee from time to time. However, there are currently no Switching Fees.

Switches must currently be for at least 500 Units, and must not reduce your holdings in a single Lifestages Portfolio below 500 Units. If this occurs, all such Units must be switched. Higher minimums currently apply to the Lifestages Deposit Portfolio. For more information, refer to the current prospectus for the Lifestages Deposit Portfolio.

See the commentary in paragraph 13.2 of this prospectus under the heading 'Tax' for information on the tax consequences of switching.

11.5 Transfer of Units

Units in the Portfolios may be transferred to another party. The instrument of transfer must be in a form approved by the Manager and must be signed by both the transferor and transferee.

The Manager may decline to register any transfer if it is for less than 500 Units and/or the transfer would result in the transferor or transferee having less than 500 Units.

You should get legal advice before making any assignment or transfer (e.g. as gift duties could arise).

The Manager may suspend the registration of transfers for up to 30 working days in any calendar year.

See the commentary in paragraph 13.2 of this prospectus under the heading 'Tax' for information on the tax consequences of transferring Units.

11.6 Income Distributions

The annual balance date for each Portfolio is 31 March every year. Where the Manager makes a distribution, the policy is to pay a net distribution from the appropriate Portfolio. The amount and frequency of distributions from the Lifestages Portfolios is at the Manager's discretion. As at the Registration Date, the Manager intends to make a final income distribution for the Lifestages Mortgage Portfolio (Distributing) at the end of September 2011. All income distributions are at the discretion of the Manager. As at the Registration Date, the Manager does not intend to make distribution payments for the Income, World Equity and Australasian Equity Portfolios, and does not intend to make distribution payments from the Lifestages Mortgage Portfolio (Distributing) once it has been renamed the Lifestages Corporate Bond Portfolio with effect from 1 November 2011, although this policy may change at a later date. Payment is normally made within 20 working days after the relevant distribution date.

In the case of all of the Portfolios the distribution policy and frequency of distributions are set and may be varied at the discretion of the Manager with the agreement of the Trustee.

11.7 Duration of Portfolios and Provisions for Winding up

The period of the Mortgage Portfolio (Distributing) commenced on 1 April 2002. The period of the Income and World Equity Portfolios commenced on 3 June 2003. The period of the Australasian Equity Portfolio commenced on 1 October 2004. The period of the World Bond Portfolio commenced on 1 March 2011. Each Portfolio terminates on the earliest of the following events:

- if the Manager gives not less than 3 months' written notice of termination to Unit Holders and the Trustee;
- if an Extraordinary Resolution of the Unit Holders of the Portfolio resolves to wind up;

- if the Minimum Holding (currently \$50,000) has ceased to be maintained and the Manager determines to wind up the Portfolio;
- the expiration of 80 years less 2 days from its commencement date.

Upon the occurrence of an event referred to in the above paragraph, the Trustee is obliged to:

- notify the Unit Holders of the Portfolio;
- sell the assets of the Portfolio;
- pay (or otherwise make provision for) the Liabilities of the Portfolio; and
- distribute the balance after payment of costs and expenses incurred by the Trustee or the Manager in respect of the winding up amongst the Unit Holders of the Portfolio in proportion to the number of Units held by each of them.

12 OTHER PRINCIPAL TERMS OF THE TRUST DEEDS OF THE LIFESTAGES PORTFOLIOS

The information provided in this Prospectus is only a general summary of the Trust Deed and Establishment Deeds. Readers are referred to the Trust Deed and Establishment Deeds for the complete terms of the Portfolios. Words not separately defined in this Prospectus but commencing with capital letters are defined in the Trust Deed and Establishment Deeds.

12.1 Function of the Trustee and Manager

Trustees Executors acts as trustee for all the Portfolios described in this Prospectus. The assets of the Portfolios are held in trust by the Trustee and managed and administered in accordance with the provisions of the Trust Deed and the Establishment Deeds.

The Trustee was appointed under the Trust Deed. The Trustee may retire from its responsibilities on giving not less than 3

months' notice to the Manager, subject to the appointment of a new trustee and the transfer to the new trustee of the investments and other property of the Portfolios. The Trustee may be removed from office by the High Court on the application of the Manager or the Minister of Justice. The power of appointing a new trustee is vested in the Manager. However, if the Manager does not appoint a new trustee, Unit Holders may do so by an Extraordinary Resolution.

Subject to the terms of the Trust Deed, the Trustee has all powers over and in respect of the Investments of the Portfolios which it could exercise if it were the absolute and beneficial owner of such investments. The Trustee and the Manager, in incurring any debts, liabilities or obligations, or in taking or omitting any other action for or in connection with the affairs of the Portfolios in accordance with the Trust Deed, are deemed to be acting for and on behalf of the Portfolios and not in their own respective personal capacities.

Trustee's functions

The functions of the Trustee include to:

- (a) monitor compliance by the Manager with the provisions of the Trust Deed;
- (b) hold the assets of the Portfolios in trust for the Unit Holders and to act in the interests of the Unit Holders;
- (c) maintain bank accounts in the name of the Trustee and to determine who is authorised to operate the bank accounts; and
- (d) appoint the Chairperson at meetings of the Unit Holders.

From 1 October 2011, clauses with the following effect will be deemed to be included in the Trust Deed:

- (a) The Trustee must exercise reasonable diligence to ascertain whether or not any breach of the terms of the Trust Deed or of the terms of the offer of units in the Portfolio has occurred.

- (b) The Trustee must do all the things that it is empowered to do to cause any breach of the terms referred to in subparagraph (a) to be remedied (except if it is satisfied that the breach will not materially prejudice the interests of Unit Holders).

Manager's functions

The functions of the Manager include to:

- (a) process applications for Units;
- (b) process Withdrawal Notices received from Unit Holders and (subject to the terms of the Trust Deed) redeem or repurchase Units subject to the Withdrawal Notices;
- (c) make decisions in relation to the Investments of the Portfolios;
- (d) process transfers of Units;
- (e) make decisions in relation to borrowing and the security of any borrowing (subject to Trustee approval);
- (f) together with the Trustee, and having regard to their separate functions and obligations, keep or cause to be kept true and proper accounts in respect of the Portfolios; and
- (g) keep minutes at meetings of the Unit Holders in each case in accordance with the terms and conditions of the Trust Deed and the Unit Trusts Act 1960.

The Manager may delegate any of its duties and powers under the Trust Deed to any third party, subject to the Manager remaining liable for the acts and omissions of the delegatee. The Manager has delegated certain administrative functions to Trustees Executors. The Manager must notify the Trustee of any delegation. The Manager has the power to appoint and remove investment and administration managers to the Portfolios, actuaries, solicitors and other professional advisers.

In addition to the fees and expenses referred to in the Portfolio profiles in sections 6 to 10, the Trustee and Manager shall not be liable and each of them shall be indemnified for liabilities and expenses incurred in respect of managing the Portfolios. However, the Trustee and Manager are not entitled to be

indemnified out of the assets of a Portfolio in respect of any liability for breach of trust where they have failed to show the degree of care and diligence required of them in their capacity as trustee or manager (as the case may be), having regard to the provisions of the Trust Deed and the powers, authorities, or discretions conferred by it.

The Manager may retire at any time upon giving not less than 3 months' notice to the Trustee. The Manager's retirement will not take effect until a new manager has been appointed. The power of appointing a new manager is exercised by the Trustee in accordance with Unit Holders' directions.

The Manager will cease to hold office if a receiver is appointed in respect of it or an order is made for its liquidation. The Manager may be removed from office:

- (a) by the High Court on the application of the Trustee, any Unit Holder or the Minister of Justice; or
- (b) by the Trustee certifying that it is in the Unit Holders' interests; or
- (c) by an Extraordinary Resolution of Unit Holders.

If FANZ is removed as Manager of a Portfolio (otherwise than for negligent or wilful failure to perform its duties and obligations under the Trust Deed) it is entitled to an amount equal to the total fees it has received pursuant to the Establishment Deed for that Portfolio during the 24 months preceding the date of such removal. This compensation is paid from the Portfolio.

Borrowing Powers

The Manager has the power for the purposes of a Portfolio to borrow or raise moneys from any person (including a Unit Holder) by way of fixed loan, bank overdraft or other running, continuing or fluctuating current account or by any other form of credit facility or accommodation and to sell, discount or otherwise pledge the Authorised Investments or any of them as security, for the purposes of acquiring further Authorised

Investments or for providing funds for the redemption of Units or the distribution of income so long as:

- (a) the total principal amount borrowed or raised by the Manager (whether secured or unsecured) does not exceed 25% of the Gross Asset Value of the Portfolio and is otherwise within the parameters set out in the investment guidelines and policy agreed by the Manager and the Trustee in accordance with the Trust Deed and the relevant Establishment Deed; and
- (b) the Manager in good faith has determined that the borrowing is necessary or desirable in the general interests of Unit Holders investing in the relevant Portfolio or for the purposes of conducting any Investment or management or other operation of the relevant Portfolio including the repayment or redemption of any Units from time to time.

Units

The Portfolios are unit trusts established for the principal purpose of providing investment benefits to investors.

The beneficial interest in a Portfolio is divided into Units, each of which is allocated and designated as a Unit in that Portfolio. Collectively, the Unit Holders in a Portfolio beneficially own the Portfolio. A Unit confers an equal interest in the Portfolio but does not confer any interest in any particular part of the Portfolio. However, for tax purposes redemption proceeds may be characterised as between Unit Holders as being from different reserves within the Portfolio. No person is entitled to require the transfer to itself of any particular part of the Portfolio. Subject to the rights of Unit Holders under the Trust Deed or at law, no person is entitled to interfere with or question the exercise or non-exercise by the Manager or the Trustee of any of the powers, authorities or discretions conferred upon them or either of them by the Trust Deed or in respect of the Portfolio (whether in whole or in part).

Except where expressly provided in the Trust Deed to the contrary or where the context does not permit, all benefits and provisions (including but not limited to those benefits and provisions which are expressed to be for the benefit of, and to bind, the Unit Holders) contained in the Trust Deed are for the benefit of, and bind, each Unit Holder.

Amendments to the Trust Deed and Establishment Deeds

The Trustee and the Manager may at any time make any alteration, modification, variation or addition to the provisions of the Trust Deed or any Establishment Deed in any of the following cases:

- (a) if in the opinion of the Trustee the same is made to correct a manifest error or is of a formal or technical nature; or
- (b) if in the opinion of the Trustee the same is necessary or desirable for the more convenient economical or advantageous working, management or administration of a Portfolio or for safeguarding or enhancing the interest of Unit Holders; or
- (c) if the same is considered by the Trustee not to be or likely to become prejudicial to the interest of the Unit Holders of the relevant Lifestages Portfolio; or
- (d) if the same materially affects only the Unit Holders of a Lifestages Portfolio or Portfolios the Unit Holders of which have authorised the same by an Extraordinary Resolution, or separate Extraordinary Resolutions, of that Portfolio or those Portfolios; or
- (e) if the same is authorised by separate Extraordinary Resolutions of the Unit Holders of each Lifestages Portfolio; or
- (f) if the same is necessary or desirable to reflect any changes to the law governing unit trusts, including the duties and powers of trustees and managers of unit trusts; or
- (g) if the Manager gives three month's written notice of that amendment to Unit Holders in the relevant Portfolio.

In the case of the Portfolios covered by this Prospectus, the Manager will send a summary of any amendments to the relevant Trust Deed to Unit Holders no later than 3 months after the date the amendments are made.

Payments

Redemption payments may be made directly into a nominated banking account. Neither the Manager nor the Registrar has any further responsibility or liability in respect of a payment made in accordance with instructions given for such payment.

Where Units are held jointly, payment will be made to the person who is, or acts for, the more or most senior of the joint Unit Holders and seniority will be accorded to the Unit Holder first named in the Register. The Manager may require proof of seniority or of any other matter and may rely and act upon such proof.

Before making any payment (or issuing or selling any Units), the Manager may require evidence satisfactory to it that the person to whom it proposes to make a payment (or issue or sale) is the person entitled to it.

Auditor

The Trustee with the approval of the Manager appoints the Auditor of the Portfolios. The Auditor may retire upon giving not less than 3 months' notice to the Trustee and the Manager or may be removed from office by the Trustee or Manager. The remuneration of the Auditor is agreed by the Manager and the Trustee and is chargeable to the relevant Portfolio.

Register

The Manager is responsible for keeping a register of Unit Holders in accordance with the provisions of the Trust Deed. The Manager has delegated the keeping of the register to Trustees Executors.

The Register is the official record of Unit Holders' entitlements.

A Unit Holder should notify the Manager in writing of any change of name or address and the Manager will alter the Register or arrange for the Register to be altered accordingly. The Registrar need only make reasonable efforts to trace a Unit Holder once the Registrar receives notice that the recorded address is incorrect.

Records may be destroyed seven years after they have been deemed to be obsolete by the Manager.

Neither the Manager nor the Trustee is bound to see to the performance of any trust (express, implied or constructive) or of any charge, pledge or equity to which any of the Units or any interest in the Units are, or may be, subject, or to recognise any person as having any interest in any Unit except for the person recorded in the Register as the Unit Holder. Accordingly, no notice of any trust, charge, pledge or equity may be entered upon the Register.

Meeting of Unit Holders

In accordance with the provisions of the Trust Deed, the Manager must upon request in writing of:

- (a) the Trustee; or
- (b) one tenth in number of all Unit Holders of the Portfolio at the date of the request; or
- (c) a Unit Holder or Unit Holders holding not less than one tenth in number of the total number of all Units held in the Portfolio at the date of the request,

summon a meeting of Unit Holders by notice in writing addressed to every Unit Holder at his/her address shown in the Register, specifying the time and place and giving not less than 14 days' notice of the meeting.

The Manager or the Trustee may at any time convene a meeting of the Unit Holders of any Portfolio. An Extraordinary Resolution

passed at a meeting of Unit Holders duly convened and held shall be binding upon all Unit Holders and the Manager and the Trustee.

12.2 Issue Prices and Unit Values

Each Unit of any Portfolio is valued at an Issue Price determined by the Manager:

- by calculating the Unit Value on the Unit Value Determination Day immediately before the working day on which the investment application is received by the Manager; and
- adding to that amount any Entry Fee or Switching Fee (as applicable).

The "Unit Value" in relation to any Portfolio is the Withdrawal Value of the Portfolio divided by the number of Units in that Portfolio on the particular Unit Value Determination Day.

The "Withdrawal Value" in relation to any Portfolio is the Gross Asset Value of the Portfolio less:

- the Liabilities of the Portfolio; and
- such sum as would have been incurred for brokerage, commission, stamp duty, transfer fees, legal fees and any other usual indirect costs as if all of the Investments of the Portfolio had been sold or disposed of on that Unit Value Determination Day.

The "Gross Asset Value" of a Portfolio is such value as is ascertained by the Manager as being the current market value of all of the Investments of that Portfolio.

12.3 Valuation of Investments

Investments held by the Lifestages Portfolios traded on a recognised market are valued by the Manager on the basis of the price quoted for the last sale of those investments or the value determined by the Manager or a qualified adviser.

Investments which are not traded on a recognised market are valued in a manner agreed upon between the Manager and the Trustee, or failing such agreement, at the value determined by a qualified adviser. Qualified advisers are approved by the Trustee and may be an employee of the Trustee or the Manager. Any investment in a unit trust, mutual fund, flexible capital company, group investment fund or any other similar undertaking will be valued at the price specified in respect of that undertaking.

The Lifestages Portfolios are currently valued on a weekly basis. As the values of the Investments fluctuate, so too can the value of Units in the Lifestages Portfolio holding those Investments fluctuate. Thus, as the market value of the Investments comprising the Lifestages Portfolio fluctuates, the value of a Unit will increase or decrease as a result of that fluctuation.

12.4 Authorised Investments

Under the Trust Deed, the Manager may invest any available funds in the "Authorised Investments" of the Portfolio in accordance with the investment policy and guidelines agreed by the Manager and the Trustee from time to time. However, the Trustee is not obliged to acquire or dispose of any Investment if, in the Trustee's opinion, the proposed acquisition or disposal is manifestly not in the interests of the Unit Holders. Under the terms of the Trust Deed, the Trustee is not liable to the Unit Holders or the Manager for so refusing to act.

The Investments, which may be held or acquired by the Portfolios (defined in each of the Establishment Deeds as 'Authorised Investments'), are as follows:

- (a) cash and term deposits with any bank or bank registered under the Reserve Bank of New Zealand Act 1989;
- (b) any share, security (as defined in the Securities Act 1978) or like interest in any company, partnership, syndicate or other person formed or carrying on business in any part of the world;

(c) deposits with or loans to (with or without security) any person;

(d) debentures, bonds, notes or similar obligations (with or without security) issued by any person;

(e) bills of exchange or promissory notes made, drawn, or accepted by any person;

(f) insurance and underwriting contracts;

(g) mortgages and mortgage backed securities;

(h) derivatives;

(i) any right or option to acquire or take up any of the above; and

(j) any other investment approved by the Trustee as an Authorised Investment from time to time.

Without prejudice to the generality of (a) to (j), 'Authorised Investments' also includes:

(k) units, sub-units or other interests in any unit trust, mutual fund, flexible capital company, group investment fund, or similar undertaking or scheme in any part of the world;

(l) any beneficial interest in any units, sub-units or other interest referred to in (k); and

(m) stocks, bonds, mortgages, or securities of, or deposits with, any government, public municipal or local body or authority in any part of the world.

The Trust Deed and Establishment Deeds do not contain any limitation on the percentage of a Portfolio's assets which may be invested in any company, or class of companies, or investments in property, although there are some restrictions in each Portfolio's investment objectives and guidelines as described in sections 6 to 10.

All the Portfolios will be invested according to their investment objectives and strategies set out in the Portfolio descriptions in sections 6 to 10. By applying for Units in a Portfolio a Unit Holder directs the Manager to invest in accordance with the investment objectives and strategies of the relevant Portfolio.

12.5 Unit Holder's Liability

No Unit Holder is personally liable in respect of any debt or liability (including any contingent liability) of a Portfolio. Unit Holders may however incur personal liability for tax as further outlined in the risk section in paragraph 13.1.

No Unit Holder shall in any circumstances (subject to any rights which the Trustee or Manager may have to recover moneys paid in error or to withhold or recover any amounts in respect of any taxes payable by or on account of a Unit Holder) be personally liable to indemnify the Trustee or the Manager in respect of any debt or liability (including any contingent liability) incurred in respect of the Portfolios, except in respect of Unit Holder obligations in relation to tax.

A Unit Holder's liability is limited to the extent of the payment of the full purchase price of the Unit Holder's Units. Except as noted above, investors cannot be called upon to meet any other liabilities of a Portfolio.

12.6 Interested Persons

For details of the remuneration of the Trustee and FANZ refer to the section on Fees and Expenses in each Portfolio profile in sections 6 to 10.

Pursuant to an Administration Agreement dated 2 June 2004 the Manager appointed Trustees Executors to provide registry and custodial services to the Lifestages Portfolios. As at the Registration Date, Trustee Executors is remunerated for providing its registry services out of the Management Fee received by the Manager in addition to the Trustee Fee described in sections 6 to 10 of this Prospectus and not directly out of the Portfolios although this practice may change and in the future Trustee's Executor's remuneration for providing registry services may be paid out of the Portfolios.

The remuneration and expenses of the fund managers for their services in managing various investments on behalf of the Manager described in section 4 of this Prospectus are paid by the Manager from its Management Fee and not from the Portfolios.

The remuneration of the Custodian forms part of the Trustee Fee described in sections 6 to 10 of this Prospectus.

Pursuant to an agreement with SBS Bank dated 1 April 2002, SBS Bank assigns to the Trustee the mortgages held in the Lifestages Mortgage Portfolio (Distributing). By this Agreement, SBS Bank has agreed from time to time to sell to the Lifestages Mortgage Portfolio (Distributing) certain mortgages for a price equal to the amount outstanding at purchase date. All mortgages held by the Lifestages Mortgage Portfolio (Distributing) are sourced from SBS Bank pursuant to this Agreement. This arrangement will cease on 31 October 2011.

SBS Bank acts as a collection and management agent of the Manager in respect of those mortgages assigned to the Lifestages Mortgage Portfolio (Distributing). A charge of 0.35% - 0.80% per annum of the Gross Asset Value of the Portfolio is currently payable to SBS Bank for performing those services. There is no limit to the amount of this charge nor to by how much it may be increased. This charge may vary from time to time by agreement between the Manager and SBS Bank. This arrangement will cease on 31 October 2011.

The Portfolios may from time to time invest in fixed interest securities (such as unsecured call and term deposits, which include redeemable shares) issued by SBS Bank or by other building societies, and in other securities of which the Manager is the issuer, as described in sections 6 to 10 of this Prospectus. The Trustee may also be the trustee of other securities in which a Portfolio invests from time to time.

If you invest in a Portfolio through SBS Bank or an independent financial planner, the Entry Fee (if applicable) will be paid to that person as commission.

From time to time the Trustee, the Manager or entities associated with either of them (including SBS Bank and directors of the Trustee, the Manager or SBS Bank) may hold units in the Portfolios. As at the Registration Date, Mr Jeff Walker, a director of SBS Bank, invests in the Lifestages Mortgage Portfolio (Distributing).

13 OTHER IMPORTANT THINGS TO KNOW

13.1 Risk of Your Investment

When you choose any investment, the most important things to know are your objectives and the amount of risk you are comfortable with. Investment risk is a measure of the uncertainty of achieving an investment return. In choosing your objective, there will usually be some trade offs. If you have a long investment horizon and capital growth is your objective, you may be willing to assume greater risk with the potential to achieve higher returns over the long term. With greater risk, however, you will need to understand that at times the capital value of your investments could fall, but, over the long term, you may expect to achieve higher returns.

Some of the events that can affect investment returns and the value of your Units, which can cause the value of your investment to go up and down, are:

- Global or domestic economic, political or market conditions that affect share prices or interest rates, therefore affecting a Portfolio's value if it is invested in assets in that country. For example, reductions in interest rates can have a negative impact directly or indirectly on a Portfolio's returns,

particularly if it has a larger exposure to fixed interest and cash assets;

- The performance of individual companies, funds or investments in a Portfolio, or the risk that a company in which a Portfolio holds shares becomes insolvent and its shares become worthless;
- The risk of a result of negative returns on the Portfolios' investments, or the returns for a particular Portfolio are insufficient to meet the applicable expenses. Losses may occur where counterparties associated with investment of the Portfolios fail to meet their respective obligations to the Portfolios;
- If a Portfolio is invested overseas, changes in foreign exchange rates can affect the value of its overseas investments. The Manager will seek to minimise this risk through a hedging strategy;
- Technological or other failures impacting on a Portfolio or financial markets;
- Future changes to tax or legislation which could affect the operation of a Portfolio;
- The risk associated with an inability on the part of the Portfolios to meet monetary obligations in a timely manner. The Manager manages this risk by investing principally in investments which can normally be realised reasonably quickly;
- Different risks are also associated with investing in index and active investment funds. With index funds, the investment manager can only buy or sell shares represented on the index being tracked. The investment manager has no discretion to dispose of a company's shares even if the price is falling, unless the company is removed from the index. As

at the Registration Date none of the Portfolios are invested in index funds, although exposure to index funds may occur in the future. With actively managed funds, the investment manager has some discretion within specified ranges of investment. Investors are also exposed to the investment style of each active fund manager. Investment in a diversified range of countries and markets minimises this risk;

- With fixed interest securities there is a risk that the issuer or organisation may default on either interest or debt repayments, adversely affecting the Portfolios' returns. The Portfolios also invest so as to gain exposure to unsecured interest bearing term deposit investments. The principal risk of investing in cash deposits or debt instruments is that, due to adverse changes in the economy, the lender may be unable to recover a substantial portion of the loans it has made to others, or even become insolvent; and/or

- The risk that mortgagors may default on either interest or debt repayments, adversely affecting the returns of any Portfolio that has an exposure to mortgages (and in particular, until 1 November 2011, the Lifestages Mortgage Portfolio (Distributing)). Also, if interest rates rise, fixed interest investments will lose value, because of the way that interest rate movements affect debt securities.

- The risk of the Manager either over or under paying tax within a Portfolio on behalf of a Unit Holder as a result of the Unit Holder providing the Manager with the wrong prescribed investor rate or not advising the Manager to change that rate when it needed to be changed. A Unit Holder is personally liable for any shortfall of tax in such a situation and relevant penalties and interest (if any) and may be required to file a tax return. If a Unit Holder advises a higher rate than that applying, the excess tax paid may not be claimed back. However zero-rated Unit Holders and qualifying trusts not electing a prescribed investor rate of 28% may claim a credit for any tax paid on income allocated to them.

- The risk of a Portfolio losing its status on a PIE. Although FANZ has processes in place to manage compliance with the PIE eligibility requirements, there is a risk that a Portfolio could lose its PIE status if there is a breach of those requirements which is not remedied within the time permitted by the Income Tax Act 2007. No compensation will be made to Unit Holders in the event PIE status is lost. If this occurs, the relevant Portfolio will bear tax on income itself and any distributions by that Portfolio to Unit Holders will also be taxed at the Unit Holder level, potentially at a higher tax rate (the 28% PIE capped rate will no longer be applicable).
- Income may be allocated to one joint Unit Holder only which may impact on that Unit Holder's ability to retain a lower prescribed investor rate.
- A full withdrawal will be required where the value of units is not regarded as sufficient to fund a Unit Holder's tax liability.
- A qualifying trust that elects a prescribed investor rate of 28% will be unable to provide the PIE income to beneficiaries at rates lower than 28% nor will such beneficiaries be entitled to a credit or refund of the excess tax.
- If a trust elects a prescribed investor rate of 10.5% or 17.5% losses attributed to the qualifying trust by a Portfolio are not included in the qualifying trust's tax return.

As with any investment that is linked to market performance, the value of your Units will fluctuate according to market conditions. Taxes, fees, expenses and the length of your investment (if you are charged an Entry Fee upon investing you may find that if you withdrew shortly thereafter the withdrawal amount may be less than you originally invested) in the Lifestages Portfolios will also affect your returns. The principal and returns of the Lifestages Portfolios are not guaranteed or secured in any way by SBS Bank, FANZ, the Trustee or any other person.

The assets of a Portfolio cannot be used to satisfy the liabilities of another Lifestages Portfolio.

13.2 Tax

Tax treatment

Redemption proceeds and distributions (if any) are tax free "excluded income". Profits or gains on sales by Unit Holders of their Units will commonly be treated as capital gains not subject to income tax, unless Unit Holders are carrying on business involving such sales or acquire Units for the purpose of sale.

Each Portfolio being offered in this Prospectus is a PIE under the Income Tax Act 2007. This allows (amongst other things) for a flow through tax treatment of income for investors, with all taxable income, deductible expenses and tax credits related to each Portfolio's investments allocated to Unit Holders in proportion to their daily unit holding in each Portfolio, with tax payable at each Unit Holder's prescribed investor rate. Details of prescribed investor rates are available at www.ird.govt.nz.

Tax will generally be paid annually by the Manager on behalf of the Portfolios based on each Unit Holder's prescribed investor rate and the amount of taxable income allocated to them during the year. In addition, tax will usually be deducted prior to payment of any full withdrawal from a Portfolio. As a general rule, no deduction of tax will usually be made on a withdrawal if sufficient Units remain after making a partial withdrawal to enable the Manager to meet any tax expected to be payable in relation to the Unit Holder's Units at the end of the financial year. If insufficient Units remain, the withdrawal will be treated as a full withdrawal and tax paid accordingly before the withdrawal amount is paid. For this purpose, switches and transfers are treated as withdrawals.

The income of each Portfolio may include interest from a bank account in which tax payments deducted are held pending payment to the Inland Revenue Department, less any costs

associated with the operation of that account. This account will be managed at registry level, external to the Portfolios, by Trustees Executors Limited.

Gains or losses made on New Zealand resident companies or Australian resident companies listed on an approved index of the Australian Stock Exchange ("ASX") which maintain a franking account and are not stapled securities and certain Australian unit trusts are not taxable or deductible. Dividends from these investments will be taxable. The PIE regime is designed to pass through these benefits to you where the Portfolios invest in unit trusts or other securities that are PIEs.

Other International shares and offshore funds held by a Portfolio are taxed under the "Fair Dividend Rate" ("FDR") method of 5% per annum of their average daily opening market value. Dividends received by a Portfolio from shares and funds subject to FDR are non taxable but foreign tax credits may be available to offset tax payable.

Certain international shares (those offering guaranteed or fixed rate returns or that are 80% or more invested in financial arrangements or fixed rate shares that are denominated in or hedged to New Zealand dollars or determined by the Inland Revenue Department to be debt in economic terms) are taxed under the comparative value method, i.e. annual change in market value plus distributions and any disposal profits.

Debt securities and financial arrangements are taxed under the financial arrangement rules using the IFRS tax payer method reflecting the approach adopted for financial reporting.

Tax advantages

Investing in a PIE can provide tax advantages to Unit Holders relative to direct individual investment. Capital gains made on investments in New Zealand shares, and certain Australian shares and unit trusts, will not be taxable to the relevant Portfolio

(or the Unit Holder) irrespective of the level of trading undertaken. In addition, because the prescribed investor rates at which tax is paid on the Portfolios' income are capped at 28%, and no other tax is generally payable by individual Unit Holders, there can be tax advantages for Unit Holders on higher marginal tax rates.

The above comments in relation to taxation are summarised and general comments only, based on current New Zealand tax law at the Registration Date.

Current taxation laws are subject to change. It is the responsibility of Unit Holders to determine their own tax position and Unit Holders should seek professional advice concerning their tax liability. Neither the Manager nor the Trustee accepts any responsibility for the impact on Unit Holders of taxation liabilities.

You should consult your own independent tax adviser if you are uncertain of your taxation position in relation to the Lifestages Portfolios and the holding and withdrawal of Units in these Portfolios.

13.3 Your rights to information

Every year, you will receive a copy of the Lifestages Portfolio Annual Report. This will be sent to you within 6 months of the Portfolios' balance date (31 March). The report provides you with information about the Portfolios and their performance.

You will also receive a Distribution Statement detailing the amount of the contributions that you have made and your Unit balance in the Portfolio following the most recent distribution of the Portfolio. At the Registration Date, only the Lifestages Mortgage Portfolio (Distributing) make distributions and a Distribution Statement will be sent to Unit Holders in these Portfolios every quarter. From 1 November 2011, the Lifestages Mortgage Portfolio (Distributing) will cease making distributions.

On request information

The following information can be obtained free of charge unless otherwise noted by calling the Registrar on 0800 500 011:

- an estimate of your balance;
- a copy of the Trust Deed and the relevant Establishment Deed and any amendments thereto, on payment of a reasonable fee;
- a transaction statement;
- a copy of the most recent investment statement or Prospectus for the Portfolios (including, in the case of the Prospectus, a copy of any document extending its life); and
- a copy of the most recent audit financial statements for the Portfolios.

13.4 Disputes handling

All problems or complaints regarding your investment should be initially directed to FANZ. In the event of this proving unsatisfactory, the Trustee can be contacted directly.

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. You can contact the Banking Ombudsman by writing to the Office of the Banking Ombudsman, PO Box 10-573, The Terrace, Wellington 6143. You can also contact the Banking Ombudsman by calling 0800 805 950 or by email at: help@bankomb.org.nz.

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 PO Box 5967, Lambton Quay, Wellington 6145. You can also contact FSCl by calling 0800 347 257 or by email at info@fsci.org.nz.

14 INSPECTION AND OBTAINING COPIES OF DOCUMENTS

You may request to inspect the following documents free of charge during business hours at FANZ, c/- the Papanui Branch of SBS Bank, 2-6 Main North Road, Papanui, Christchurch and at Level 4, Petherick Tower, 38-42 Waring Taylor Street, Wellington:

- the Trust Deed and the Establishment Deeds for the Lifestages Portfolios and any amendments thereto;
- any material contract referred to in this Prospectus;
- the latest financial statements for the Lifestages Portfolios; and
- the latest annual report for the Lifestages Portfolios.

You can obtain a copy of the above documents by writing to the Manager, FANZ, PO Box 13801, Christchurch. A reasonable fee may be charged if a copy of the Trust Deed and the relevant Establishment Deed is requested. The documents may also be viewed on the Manager's public file on the Companies Office website at www.business.govt.nz/companies. Alternatively, copies can be obtained (on payment of any relevant fee) by telephoning the Ministry of Economic Development Business Service Centre on 0508 266 726.

15 OTHER MATERIAL MATTERS

Except as otherwise set out in this Prospectus there are no other material matters relating to the Portfolios.

Listing on a securities market operated by a registered exchange of the securities to which this Prospectus relates is not being sought.

16 MATERIAL CONTRACTS

There have been no contracts which have been entered into in respect of the Portfolios (other than in the ordinary course of business) in the two years preceding the Registration Date, and which are material to the Portfolios.

17 OTHER TERMS OF OFFER AND UNITS

All other terms of the Lifestages Portfolios (other than terms implied by law) are set out in the Trust Deed and Establishment Deeds relating to the Lifestages Portfolios, copies of which are registered with the Registrar of Financial Service Providers and are available for public inspection at the address specified in paragraph 14.

18 PENDING PROCEEDINGS

As at the Registration Date, there are no legal proceedings or arbitration pending which may have a material adverse effect on any of the Portfolios.

19 ISSUE EXPENSES

The estimated expenses of this issue are \$15,000. These expenses include legal and professional fees, and printing costs.

20 FINANCIAL STATEMENTS AND AUDIT REPORTS

The financial statements for the Portfolios for the year ending on 31 March 2011 comply with and were presented for registration under the Financial Reporting Act 1993 on 20 July 2011.

KPMG have provided an auditor's report dated 30 June 2011 in respect of the financial statements for the year ending

31 March 2011. That report was unqualified and did not refer to any fundamental uncertainty.

An auditor's report in respect of this Prospectus is attached to this Prospectus.

The following summary is taken from the audited financial statements for the Portfolios.

Summary Statement of financial position as at 31 March 2011

	Mortgage Portfolio (Distributing)			
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
	12 months	12 months	12 months	12 months
	\$	\$	\$	\$
	(NZ IFRS)	(NZ IFRS)	(NZ IFRS)	(NZ IFRS)
				(Previous GAAP)
Assets				
Cash	2,750,114	2,181,025	26,748,251	7,347,148
Investment Assets	41,271,076	59,648,866	68,730,350	86,618,035
Current Tax Receivable			199	
Other Current Assets	113,747	217,136	251,908	363,887
Total Assets	44,134,937	62,047,047	95,730,310	94,528,871
Liabilities				
Accounts Payable	66,242	100,794	143,809	154,554
Financial Liabilities held at fair Value through Profit & Loss	294,980	177,890	813,625	-
Other	-	-	-	-
Total Liabilities	361,232	278,684	957,434	154,554
Net Assets Attributable to Unit Holders	43,773,705	61,768,363	94,772,876	94,374,317

Summary Statement of financial position as at 31 March 2011

	Income Portfolio			
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
	12 months	12 months	12 months	12 months
	\$	\$	\$	\$
	(NZ IFRS)	(NZ IFRS)	(NZ IFRS)	(NZ IFRS)
				(Previous GAAP)
Assets				
Cash	770,925	755,976	939,317	463,405
Investment Assets	13,828,459	13,668,526	13,651,552	11,895,056
Current Tax Receivable	-	-	-	460
Other Current Assets	-	-	-	-
Total Assets	14,599,384	14,422,502	14,589,869	12,158,921
Liabilities				
Accounts Payable	33,229	29,867	28,414	17,651
Financial Liabilities held at fair Value through Profit & Loss	-	-	-	-
Other	-	-	-	-
Total Liabilities	33,229	29,867	28,414	17,651
Net Assets Attributable to Unit Holders	14,566,155	14,392,635	14,561,455	12,141,270

Summary Statement of Comprehensive Income for the year ended 31 March 2011

	Mortgage Portfolio (Distributing)			
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
	12 months	12 months	12 months	12 months
	\$	\$	\$	\$
	(NZ IFRS)	(NZ IFRS)	(NZ IFRS)	(Previous GAAP)
Net Investment Income/(loss)	2,975,548	4,591,486	6,687,935	9,816,937
Expenses				
Management Fees	635,002	989,584	1,106,268	1,296,362
Management Performance Fees	-	-	-	-
Finance Costs	-	-	-	-
Other	453,738	390,401	399,696	475,032
Total Expenses	1,088,740	1,379,985	1,505,964	1,771,394
Net Income/(Loss) Before Tax	1,886,808	3,211,501	5,181,971	8,045,543
Tax Expense	-	-	-	1,372,383
Net Income/(Loss) After Tax	1,886,808	3,211,501	5,181,971	6,673,160
Increase/(Decrease) In net assets attributable to Unit Holders	1,886,808	3,211,501	5,181,971	6,673,160

Summary Statement of Comprehensive Income for the year ended 31 March 2011

	Income Portfolio			
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
	12 months	12 months	12 months	12 months
	\$	\$	\$	\$
	(NZ IFRS)	(NZ IFRS)	(NZ IFRS)	(Previous GAAP)
Net Investment Income/(loss)	832,076	738,851	560,826	686,185
Expenses				
Management Fees	72,257	56,372	57,219	25,574
Management Performance Fees	56,014	30,393	-	-
Finance Costs	-	-	-	-
Other	84,092	56,257	57,726	32,194
Total Expenses	212,363	143,022	114,945	57,768
Net Income/(Loss) Before Tax	619,713	593,829	445,881	628,417
Tax Expense	-	-	-	-
Net Income/(Loss) After Tax	619,713	593,829	445,881	628,417
Increase/(Decrease) In net assets attributable to Unit Holders	619,713	593,829	445,881	628,417

Summary Statement of Changes in net assets attributable to Unit Holders

	Mortgage Portfolio (Distributing)				Income Portfolio			
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months
(NZ IFRS)	(NZ IFRS)	(NZ IFRS)	(NZ IFRS)	(NZ IFRS)	(NZ IFRS)	(NZ IFRS)	(NZ IFRS)	(NZ IFRS)
Balance at the start of the year	61,768,363	94,772,876	94,374,317	106,896,382	107,404,163	107,450,586	107,450,586	11,011,948
Increase/(Decrease) in net assets attributable to Unit Holders	1,886,808	3,211,501	5,181,971	6,873,160	5,745,519	5,442,486	5,442,486	553,086
Issue of Units for the Period	2,516,488	8,797,086	40,928,703	21,602,757	30,814,791	30,814,791	30,814,791	4,539,251
Redemptions for the Period	(20,417,970)	(43,029,086)	(40,577,093)	(34,214,106)	(31,583,968)	(31,583,968)	(31,583,968)	(5,146,990)
Distributions for the Period	(1,979,984)	(2,984,014)	(5,135,022)	(6,583,878)	(5,484,123)	(5,484,123)	(5,484,123)	(553,086)
Balance at the end of the year	43,773,705	61,768,363	94,772,876	94,374,317	106,896,382	106,639,782	106,639,782	10,957,295

Summary Statement of Changes in net assets attributable to Unit Holders

	Mortgage Portfolio (Distributing)				Income Portfolio			
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months
(NZ IFRS)	(NZ IFRS)	(NZ IFRS)	(NZ IFRS)	(NZ IFRS)	(NZ IFRS)	(NZ IFRS)	(NZ IFRS)	(NZ IFRS)
Balance at the start of the year	14,392,635	14,561,455	12,141,270	10,957,295	11,011,948	11,011,948	11,011,948	11,011,948
Increase/(Decrease) in net assets attributable to Unit Holders	619,713	593,629	445,881	628,417	553,086	553,086	553,086	553,086
Issue of Units for the Period	2,480,355	3,077,805	5,658,783	10,114,215	4,539,251	4,539,251	4,539,251	4,539,251
Redemptions for the Period	(2,926,548)	(3,840,454)	(3,684,479)	(9,558,657)	(5,146,990)	(5,146,990)	(5,146,990)	(5,146,990)
Distributions for the Period	-	-	-	-	-	-	-	-
Balance at the end of the year	14,566,155	14,992,635	14,561,455	12,141,270	10,957,295	10,957,295	10,957,295	10,957,295

Summary Statement of Cash Flows for the year ended 31 March 2011

	Mortgage Portfolio (Distributing)				Income Portfolio			
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months
(NZ IFRS)	(NZ IFRS)	(NZ IFRS)	(NZ IFRS)	(NZ IFRS)	(NZ IFRS)	(NZ IFRS)	(NZ IFRS)	(NZ IFRS)
Net Cash (Used in)/from Operating Activities	20,450,555	11,648,788	24,184,515	23,107,471	3,488,162	3,488,162	3,488,162	549,149
Net Cash (Used in)/from Investing Activities	(19,881,466)	(36,216,014)	(4,783,412)	(19,195,225)	(6,253,300)	(6,253,300)	(6,253,300)	(607,739)
Net Cash (Used in)/from Financing Activities	569,089	24,587,226	19,401,103	3,812,246	2,765,138	2,765,138	2,765,138	58,590
Cash at the Beginning of the financial Year	2,181,025	26,748,251	7,347,148	3,434,902	6,200,040	6,200,040	6,200,040	83,744
Cash at the end of the financial Year	2,750,114	2,181,025	26,748,251	7,347,148	3,434,902	3,434,902	3,434,902	25,154

Summary Statement of Cash Flows for the year ended 31 March 2011

	Mortgage Portfolio (Distributing)				Income Portfolio			
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months
(NZ IFRS)	(NZ IFRS)	(NZ IFRS)	(NZ IFRS)	(NZ IFRS)	(NZ IFRS)	(NZ IFRS)	(NZ IFRS)	(NZ IFRS)
Net Cash (Used in)/from Operating Activities	463,142	578,308	1,499,392	1,17,307	549,149	549,149	549,149	549,149
Net Cash (Used in)/from Investing Activities	(446,193)	(762,649)	(1,974,304)	(555,558)	(607,739)	(607,739)	(607,739)	(607,739)
Net Cash (Used in)/from Financing Activities	16,949	(184,341)	(474,912)	(438,251)	(58,590)	(58,590)	(58,590)	(58,590)
Cash at the Beginning of the financial Year	753,976	938,317	463,405	25,154	83,744	83,744	83,744	83,744
Cash at the end of the financial Year	770,925	753,976	938,317	463,405	25,154	25,154	25,154	25,154

Summary Statement of financial position as at 31 March 2011

	World Equity Portfolio			
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
	12 months	12 months	12 months	12 months
	(NZ IFRS)	(NZ IFRS)	(NZ IFRS)	(NZ IFRS)
	\$	\$	\$	\$
	(Previous GAAP)			
Assets				
Cash	1,076,245	674,153	395,093	454,271
Investment Assets	15,234,605	12,031,714	6,356,143	7,168,543
Current Tax Receivable	-	-	57,797	44,217
Other Current Assets	-	2,905	5,831	8,758
Total Assets	16,310,850	12,708,772	6,814,864	7,675,789
	8,410,980			
Liabilities				
Accounts Payable	49,157	70,457	19,369	21,172
Deferred Tax Liabilities	-	-	-	-
Total Liabilities	49,157	70,457	19,369	21,172
	254,514			
Net Assets Attributable to Unit Holders	16,261,693	12,638,315	6,795,495	7,654,617
	8,156,466			

Summary Statement of financial position as at 31 March 2011

	Australasian Equity Portfolio			
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
	12 months	12 months	12 months	12 months
	(NZ IFRS)	(NZ IFRS)	(NZ IFRS)	(NZ IFRS)
	\$	\$	\$	\$
	(Previous GAAP)			
Assets				
Cash	958,442	762,146	520,944	161,750
Investment Assets	12,637,457	10,344,658	6,185,535	6,238,452
Current Tax Receivable	-	-	36,912	6,321
Other Current Assets	-	-	-	3,712
Total Assets	13,595,899	11,106,804	6,743,391	6,387,593
	6,961,617			
Liabilities				
Accounts Payable	58,861	24,758	25,438	27,970
Deferred Tax Liabilities	-	-	-	-
Total Liabilities	58,861	24,758	25,438	27,970
	267,521			
Net Assets Attributable to Unit Holders	13,537,038	11,082,046	6,717,953	6,369,623
	6,694,096			

Summary Statement of Comprehensive Income for the year ended 31 March 2011

	World Equity Portfolio			
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
	12 months	12 months	12 months	12 months
	(NZ IFRS)	(NZ IFRS)	(NZ IFRS)	(NZ IFRS)
	\$	\$	\$	\$
	(Previous GAAP)			
Net Investment Income/(Loss)	1,185,708	2,831,830	1,730,256	669,546
	247,314			
Expenses				
Management Fees	175,562	120,834	92,285	105,232
Management Performance Fees	127,264	226,276	-	-
Finance Costs	-	-	-	-
Other	65,516	45,794	35,869	41,106
Total Expenses	368,322	392,904	128,154	146,338
	137,967			
Net Income/(Loss) Before Tax	817,386	2,438,926	1,602,102	523,208
	109,327			
Tax Expense	-	-	-	6,510
	59,517			
Net Income/(Loss) After Tax	817,386	2,438,926	1,602,102	516,698
	49,810			
Increase/(Decrease) In net assets attributable to Unit Holders	817,386	2,438,926	1,602,102	516,698
	49,810			

Summary Statement of Comprehensive Income for the year ended 31 March 2011

	Australasian Equity Portfolio			
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
	12 months	12 months	12 months	12 months
	(NZ IFRS)	(NZ IFRS)	(NZ IFRS)	(NZ IFRS)
	\$	\$	\$	\$
	(Previous GAAP)			
Net Investment Income/(Loss)	653,737	2,015,878	535,795	436,183
	777,591			
Expenses				
Management Fees	149,626	112,484	81,218	88,925
Management Performance Fees	102,916	177,900	-	-
Finance Costs	-	-	-	-
Other	54,320	63,717	52,040	62,433
Total Expenses	306,862	354,101	133,258	151,358
	164,640			
Net Income/(Loss) Before Tax	346,875	1,661,777	402,537	284,825
	612,951			
Tax Expense	-	-	-	79,523
	111,317			
Net Income/(Loss) After Tax	346,875	1,661,777	402,537	205,302
	501,634			
Increase/(Decrease) In net assets attributable to Unit Holders	346,875	1,661,777	402,537	205,302
	501,634			

Summary Statement of Changes in net assets attributable to Unit Holders

	World Equity Portfolio			
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
	12 months	12 months	12 months	12 months
	\$	\$	\$	\$
	(NZ IFRS)	(NZ IFRS)	(NZ IFRS)	(NZ IFRS)
				(Previous GAAP)
Balance at the start of the year	12,638,315	6,795,495	7,654,617	8,156,465
Increase/(Decrease) in net assets attributable to Unit Holders	817,386	2,438,926	1,858,410	49,810
Issue of Units for the Period	3,603,335	3,942,327	1,707,072	1,744,784
Redemptions for the Period	-	538,433	699,603	951,181
Distributions for the Period	-	-	-	-
Other	-	-	8,181	162
Balance at the end of the year	16,261,693	12,638,315	6,795,495	8,156,465

Summary Statement of Changes in net assets attributable to Unit Holders

	Australasian Equity Portfolio			
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
	12 months	12 months	12 months	12 months
	\$	\$	\$	\$
	(NZ IFRS)	(NZ IFRS)	(NZ IFRS)	(NZ IFRS)
				(Previous GAAP)
Balance at the start of the year	11,082,046	6,717,953	6,369,623	5,375,638
Increase/(Decrease) in net assets attributable to Unit Holders	346,875	1,661,777	669,053	508,018
Issue of Units for the Period	2,902,994	3,443,050	1,581,795	1,554,105
Redemptions for the Period	-	794,877	740,734	1,370,560
Distributions for the Period	-	-	-	-
Other	-	-	-	-
Balance at the end of the year	13,537,038	11,082,046	6,717,953	6,684,096

Summary Statement of Cash Flows for the year ended 31 March 2011

	World Equity Portfolio			
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
	12 months	12 months	12 months	12 months
	\$	\$	\$	\$
	(NZ IFRS)	(NZ IFRS)	(NZ IFRS)	(NZ IFRS)
				(Previous GAAP)
Net Cash (Used in)/from Operating Activities	2,403,900	3,124,834	1,066,647	383,487
Net Cash (Used in)/from Investing Activities	-	-	-	-
Net Cash (Used in)/from Financing Activities	2,805,992	3,403,894	1,007,469	793,603
Net (Decrease) / Increase in Cash	402,092	279,060	59,178	410,116
Cash at the Beginning of the financial Year	674,153	395,093	454,271	86,378
Cash at the end of the financial Year	1,076,245	674,153	395,093	496,494

Summary Statement of Cash Flows for the year ended 31 March 2011

	Australasian Equity Portfolio			
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
	12 months	12 months	12 months	12 months
	\$	\$	\$	\$
	(NZ IFRS)	(NZ IFRS)	(NZ IFRS)	(NZ IFRS)
				(Previous GAAP)
Net Cash (Used in)/from Operating Activities	1,911,821	2,461,114	658,189	373,057
Net Cash (Used in)/from Investing Activities	-	-	-	-
Net Cash (Used in)/from Financing Activities	2,108,117	2,702,316	1,017,383	183,545
Net (Decrease) / Increase in Cash	762,146	520,944	161,750	951,262
Cash at the Beginning of the financial Year	958,442	762,146	520,944	161,750
Cash at the end of the financial Year	1,620,588	1,283,090	682,694	1,112,912

Summary Statement of financial
position as at 31 March 2011
World Bond Portfolio

	31-Mar-11
	1 months
	\$
	(NZ IFRS)
Assets	
Cash	100,000
Investment Assets	-
Current Tax Receivable	-
Other Current Assets	-
Total Assets	100,000
Liabilities	
Accounts Payable	-
Deferred Tax Liabilities	-
Other Liabilities	-
Total Liabilities	
Net Assets Attributable to Unit Holders	100,000

Summary Statement of Comprehensive Income
for the year ended 31 March 2011

	31-Mar-11
	1 month
	\$
	(NZ IFRS)
Net Investment Income/(loss)	-
Expenses	
Management Fees	-
Management Performance Fees	-
Finance Costs	-
Other	-
Total Expenses	
Net Income/(Loss) Before Tax	-
Tax Expense	-
Net Income/(Loss) After Tax	-
Increase/(Decrease) in net assets attributable to Unit Holders	-

**Summary Statement of Changes
in net assets attributable to Unit Holders**

	31-Mar-11
	1 month
	\$
	(NZ IFRS)
Balance at the start of the year	-
Increase/(Decrease) In net assets attributable to Unit Holders	-
Issue of Units for the Period	100,000
Redemptions for the Period	-
Distributions for the Period	-
Other	-
Balance at the end of the year	100,000

**Summary Statement of Cash Flows
for the year ended 31 March 2011**

	31-Mar-11
	1 month
	\$
	(NZ IFRS)
Net Cash (Used in)/from Operating Activities	-
Net Cash (Used in)/from Investing Activities	-
Net Cash (Used in)/from Financing Activities	100,000
Net (Decrease) / Increase in Cash	100,000
Cash at the Beginning of the financial Year	-
Cash at the end of the financial Year	100,000

Notes to the Summary Financial Statements

The Lifestages Unit Trusts (the "Portfolios") are the reporting entities comprising the following individual portfolios: Lifestages Mortgage Portfolio (Distributing), Lifestages Income Portfolio, Lifestages World Equity Portfolio, the Lifestages Australasian Equity Portfolio, and the Lifestages World Bond Portfolio.

The summary financial statements are presented for the five financial years to 31 March 2011 except for the World Bond Portfolio which is for the period ended 31 March 2011.

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

These summary financial statements have been prepared in compliance with FRS-43: Summary Financial Statements.

The specific disclosures included in the summary financial statements have been extracted from the full financial statements.

The summary statement of cash flows comparative numbers have been reclassified to comply with the presentation of the full financial statements for the year ended 31 March 2011.

The Portfolios have elected to become Portfolio Investment Entities ("PIEs") from 1 October 2007 except for the World Bond Portfolio which elected to become a PIE from 1 March 2011. Under the PIE regime, income is effectively taxed in the hands of the unit holders and therefore the Portfolios have no tax expense from these dates.

Users of the summary financial statements should note that the information contained therein cannot be expected to provide as complete an understanding as provided by the full financial statements of the statements of comprehensive income, statements of financial positions and statements of cash flows of the Lifestages Portfolios.

The Full Financial Statements for the year ended 31 March 2011 were authorised for issue by the directors of Funds Administration New Zealand Limited as manager on 30 June 2011 and an unmodified audit report by KPMG was issued at that date.

The Full Financial Statements for the years ended 31 March 2010, 2009, 2008, 2007 were authorised for issue by the directors of Funds Administration New Zealand Limited as manager and an unqualified audit report was issued on each date as

follows:

Full Financial Statements as at:	Authorised for issue on:
31 March 2010	30 June 2010
31 March 2009	30 June 2009
31 March 2008	30 June 2008
31 March 2007	15 June 2007

The Full Financial Statements for the years ended 31 March 2008, 2009, 2010 and 2011 have been prepared in compliance with the Trust Deed, the Financial Reporting Act 1993, other relevant legislative requirements 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. NZ IFRS were adopted for the 2008 financial statements with 2007 comparative figures being restated under these standards. The Full Financial Statements for the year ended 31 March 2007 have been prepared in compliance with the Trust Deed, the Financial Reporting Act 1993, other relevant legislative requirements and Previous New Zealand Generally Accepted Accounting Practice.

The NZ IFRS Financial Statements also comply with International Financial Reporting Standards ("IFRS").

A copy of the Full Financial Statements can be obtained by contacting SBS Bank on 0800 502 442.

These summary financial statements were authorised for issue by the directors of Funds Administration New Zealand as manager on 29 September 2011.

Transition to International Financial Reporting Standards as adopted for New Zealand (NZ IFRS)

There are no adjustments for the Lifestages Income, World Equity, and Australian Equity Portfolios as a result of transition NZ IFRS.

The adjustment for the Lifestages Mortgage Portfolio (Distributing) on transition to NZ IFRS is as follows: under NZ IFRS the fair value of Interest Rate Swaps are to be recognised on the balance sheet, whereas previously such derivatives were recorded off-balance sheet. The fair value of the Portfolio's Interest Rate Swaps recognised on the balance sheet as at 31 March 2007 amounts to NZ\$256,600 (asset), the opening fair value as at 1 April 2006 was minus NZ\$46,423 (liability), a Net Change in Fair Value of Investments of NZ\$303,023.

21 MINIMUM SUBSCRIPTION

The minimum subscription that must be raised to provide for the matters set out in clause 9 of Schedule 4 of the Securities Regulations 2009 is nil.

22 GUARANTORS

No person guarantees the securities offered in this Prospectus.

23 ACQUISITION OF BUSINESS OR EQUITY SECURITIES

No Portfolio has in the period preceding the Registration Date purchased any business or any unlisted equity securities, the consideration for which exceeded 20% of its total tangible assets.

24 OPTIONS AND UNITS PAID UP OTHERWISE THAN IN CASH

No options to subscribe for Units have been issued. No Units have been or are to be issued for a consideration other than cash.

25 MANAGER'S STATEMENT

The directors of Funds Administration New Zealand Limited, after due enquiry by them, are of the opinion that:

- (a) the value of each Portfolio's assets relative to its liabilities (including contingent liabilities); and
- (b) the ability of each Portfolio to pay its debts as they become due in the normal course of business

has not materially and adversely changed during the period between the balance date of the latest financial statements referred to in this prospectus and the Registration Date.

This Prospectus has been signed by or on behalf of the directors of the Manager, FANZ.



Graham David Duston
Director



Ross Lindsay Smith
Director



Jeffrey Bernard Walker
Director



Derek Richmond Young
Director



Gregory John Mulvey
Director

26 TRUSTEE'S STATEMENT

A Trustee's statement in respect of this Prospectus is attached to this Prospectus.

27 STATUTORY INDEX

Securities Regulations 2009, Schedule 4

<u>Clause No.</u>		<u>Pages</u>
1	Description of Unit Trust	1
2	Managers and Promoters	3-4
3	Registrar, custodian, auditors, advisors and experts	3-4
4	Independence of unit trustee and any custodians	4
5	Unit Trustee	2-3
6	Description of Unit Trust and its development	1, 5-32
7	Unit holder liability	32
8	Summary financial statements	39-45
9	Minimum subscription	46
10	Guarantors	46
11	Acquisition of business or equity securities	46
12	Options and Units paid up otherwise than in cash	46
13	Interested persons	9-11, 14-15, 16-17, 19-20, 21-22, 32-33
14	Material contracts	37
15	Pending proceedings	37
16	Issue expenses	33, 37
17	Other terms of offer and Units	37
18	Financial statements and auditor's report	37-38
19	Places of inspection of documents	37
20	Other material matters	33-37
21	Manager's statement	46
22	Unit Trustee's statement	47

[Page holder for KPMG audit report and consent letter page 1]

[Page holder for KPMG audit report and consent letter page 2]

29 September 2011

TRUSTEE'S STATEMENT

Lifestages Unit Trusts - Prospectus dated 29 September 2011

Trustees Executors Limited is the Trustee of the following Lifestages Unit Trusts ("the Portfolios").

- Lifestages Mortgage Portfolio (Distributing);
- Lifestages Income Portfolio;
- Lifestages World Equity Portfolio;
- Lifestages Australasian Equity Portfolio; and
- Lifestages World Bond Portfolio

In accordance with the requirements of Clause 22 of Schedule 4 to the Securities Regulations 2009, the Trustee is of the opinion that the Manager has managed the Lifestages Mortgage Portfolio (Distributing), Lifestages Income Portfolio, the Lifestages World Equity Portfolio, the Lifestages Australasian Equity Portfolio and the Lifestages World Bond Portfolio for the relevant periods ended 31 March 2011, in accordance with the provisions of the Trust Deed constituting the Portfolios, and the offer of units.

The Auditor has reported on the financial information set out in the Prospectus for the Portfolios dated 31 March 2011 and our statement does not refer to that financial information or to any other material in the said Prospectus which does not relate to the Trust Deed.

Signed for and on behalf of
Trustees Executors Limited

Richard McLoughlin

Business Manager
Corporate Trust