NZ Funds Managed Superannuation Service

Product Disclosure Statement

Issued by New Zealand Funds Management Limited
11 November 2019

This document replaces the Product Disclosure Statement dated 29 March 2019

This document gives you important information about this investment to help you decide whether you want to invest. There is other useful information about this offer on disclose-register.companiesoffice.govt.nz. New Zealand Funds Management Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial adviser to help you to make an investment decision.
1. KEY INFORMATION SUMMARY

What is this?
This is a managed investment scheme. Your money will be pooled with other investors’ money and invested in various investments. New Zealand Funds Management Limited (NZ Funds, we, us or our) will invest your money and charge you a fee for its services. The returns you receive are dependent on the investment decisions of NZ Funds and the performance of the investments. The value of those investments may go up or down.
The types of investments and the fees you will be charged are described in this document.
The NZ Funds Managed Superannuation Service (the Service) is a Qualifying Recognised Overseas Pension Scheme (QROPS) which means it can accept money transferred from UK pension schemes or other current or former QROPS.

What will your money be invested in?
These investment options are summarised in the table on page 4. More information about the investment target and strategy for each investment option is provided on page 9.
The Income Strategy, Inflation Strategy and Growth Strategy have two membership classes - the Superannuation Class and the ROPS Class. The Income Strategy - British Pounds and the Growth Strategy - British Pounds only have a ROPS membership class.
The Superannuation Class has been established for retirement savings and to receive money transferred from other New Zealand superannuation schemes.
The ROPS Class has been established to receive money transferred from UK pension schemes or other current or former QROPS.

Who manages the NZ Funds Managed Superannuation Service?
The manager of the Service is NZ Funds. See section 7 of this Product Disclosure Statement (PDS) ‘Who is involved?’ on page 14 for more information.

How can you get your money out?
The Service is designed to help you save for retirement. If you are invested in the Superannuation Class, you generally cannot withdraw your money until you reach the age of eligibility for New Zealand Superannuation (currently age 65). If you are invested in the ROPS Class, you generally cannot withdraw your money until you reach the UK minimum pension age (currently age 55).
Early withdrawals are permitted in limited circumstances.
Your ability to withdraw may be affected by NZ Funds’ ability to suspend withdrawals. See section 2 of this PDS ‘How does this investment work?’ on page 5 for more information.

How will your investment be taxed?
The Service is a portfolio investment entity (PIE). The amount of tax you pay in respect of a PIE is based on your prescribed investor rate (PIR).
To determine your PIR go to www.ird.govt.nz/toii/pir/. See section 6 of this PDS ‘What taxes will you pay?’ on page 14 for more information.

Where can you find more key information?
NZ Funds is required to publish quarterly updates for each investment option. The updates show the returns, and the total fees actually charged to investors, during the previous year.
The latest fund updates are available at www.nzfunds.co.nz. NZ Funds will also give you copies of those documents on request.
1. KEY INFORMATION SUMMARY

<table>
<thead>
<tr>
<th>NAME</th>
<th>OBJECTIVE</th>
<th>DESCRIPTION</th>
<th>RISK INDICATOR</th>
<th>ESTIMATED ANNUAL FUND CHARGES</th>
<th>ESTIMATED ANNUAL FUND CHARGES AFTER FEE REBATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. SelfSelect</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Income Strategy - British Pounds</td>
<td>To provide exposure to income assets and to the British Pound.</td>
<td>Anticipated to hold mainly Australasian and international bonds. The Strategy is exposed to the British Pound.</td>
<td>Lower risk: 1 2 3 4 5 6 7 Higher risk: Potentially lower returns Potentially higher returns</td>
<td>1.12% 1.12%</td>
<td></td>
</tr>
<tr>
<td>Growth Strategy - British Pounds</td>
<td>To grow your investment over the long term and to provide exposure to the British Pound.</td>
<td>Anticipated to hold mainly Australasian and international shares, and/or hedge funds. The Strategy is exposed to the British Pound.</td>
<td>Lower risk: 1 2 3 4 5 6 7 Higher risk: Potentially lower returns Potentially higher returns</td>
<td>1.65% 1.25%</td>
<td></td>
</tr>
<tr>
<td>Income Strategy</td>
<td>To provide exposure to income assets.</td>
<td>Anticipated to hold mainly Australasian and international bonds.</td>
<td>Lower risk: 1 2 3 4 5 6 7 Higher risk: Potentially lower returns Potentially higher returns</td>
<td>1.12% 1.12%</td>
<td></td>
</tr>
<tr>
<td>Inflation Strategy</td>
<td>To mitigate the impact of inflation on your investment over the medium and/or long term.</td>
<td>Anticipated to hold mainly Australasian and international bonds, and Australasian and international shares.</td>
<td>Lower risk: 1 2 3 4 5 6 7 Higher risk: Potentially lower returns Potentially higher returns</td>
<td>1.42% 1.25%</td>
<td></td>
</tr>
<tr>
<td>Growth Strategy</td>
<td>To grow your investment over the long term.</td>
<td>Anticipated to hold mainly Australasian and international shares, and/or hedge funds.</td>
<td>Lower risk: 1 2 3 4 5 6 7 Higher risk: Potentially lower returns Potentially higher returns</td>
<td>1.65% 1.25%</td>
<td></td>
</tr>
<tr>
<td>B. LifeCycle</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LifeCycle – age 0-54</td>
<td>To allocate your investment across the Income, Inflation, and Growth Strategies based on your age to ensure your investment is allocated in a manner consistent with your investment timeframe.</td>
<td>Strategy allocation:</td>
<td>Lower risk: 1 2 3 4 5 6 7 Higher risk: Potentially lower returns Potentially higher returns</td>
<td>1.60% 1.24%</td>
<td></td>
</tr>
<tr>
<td>LifeCycle – age 65</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LifeCycle – age 75</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. LifeCycle automatically allocates your investment across the Income, Inflation, and Growth Strategies each year based on your age. We have selected three examples (age 0-54, age 65 and age 75) to provide information on LifeCycle in this PDS. 2. As the investment options have not been in existence for a full five years to 30 September 2019, their risk indicators have been prepared using market index returns as well as actual returns. As a result, the risk indicator may provide a less reliable indicator of the potential future volatility of the investment option. For the Growth Strategy – British Pounds market index returns have been used for the full five year period. For the Income Strategy – British Pounds, market index returns have been used for the period prior to 11 August 2017. For the other investment options, market index returns have been used for the period prior to 25 January 2017. 3. Expressed as a percentage of the net asset value of each Strategy. 4. Includes estimated performance fees. See page 12 for more information. 5. The estimated annual fund charges will vary depending on the total amount you have invested in managed investment schemes managed by NZ Funds. If the total amount invested is $1 million or more, an NZ Funds fee rebate will apply. The estimated annual fund charges shown are after this fee rebate. See page 12 for more information.

See page 10 for an explanation of the risk indicator and for information about other risks that are not included in the risk indicator. To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at www.nzfunds.co.nz/AdviceSolutions/RiskProfile/
2. HOW DOES THIS INVESTMENT WORK?

Legal structure
The Service is registered under the Financial Markets Conduct Act 2013 as a superannuation scheme and is governed by an amended and consolidated trust deed (Trust Deed) dated 3 May 2017 between NZ Funds and The New Zealand Guardian Trust Company Limited (Supervisor).

The Service is designed to help you save for your retirement. It is a defined contribution scheme. This means that you contribute to the Service over time and the benefits payable depend on how much you contribute and the investment returns on those contributions after fees and tax.

The Service is made up of five actively managed funds (also referred to as Strategies in this PDS). The money you invest into a Strategy is pooled with other investors’ money to purchase assets. You will be allocated units in each Strategy you invest in which represent your proportionate holding in the Strategy. The units do not give you legal ownership of the Strategy’s assets but they give you the right to a share of any returns from those assets.

The number of units you are allocated is based on the price per unit, called the unit price. The performance of your investment will be measured by the rise or fall of the unit price. The assets of a Strategy are not available to meet the liabilities of any other Strategy in the Service.

Features and benefits
Some of the features of this offer, including the use of derivatives, may mean an investment in the Service is not appropriate for you. We recommend you discuss the features of this offer with a financial adviser before deciding whether to invest.

QROPS status
The Service is a Qualifying Recognised Overseas Pension Scheme (QROPS) which means it can accept money transferred from UK pension schemes or other current or former QROPS. The ROPS Class has been established to receive money transferred from these schemes. Members who are invested in the ROPS Class are subject to the UK Pension Rules applying to QROPS (UK Pension Rules).

LifeCycle
LifeCycle automatically allocates your investment across the Income, Inflation, and Growth Strategies each year based on your age (the Income Strategy - British Pounds and the Growth Strategy - British Pounds are not part of LifeCycle). Regularly reallocating your investment can significantly impact the long-term success of your investment.

Active management
NZ Funds uses an active investment management approach that seeks to maintain a balance between preserving your capital and growing your wealth in a manner that is consistent with each Strategy’s objective.
2. HOW DOES THIS INVESTMENT WORK?

In managing the Strategies, we take a wide variety of actions including: altering the proportion invested in each security or asset class; altering the manner in which a Strategy is exposed to each security or asset class; investing directly or indirectly; using derivatives and/or any resulting leverage; using collective investment vehicles; using specialist investment managers (including hedge funds); taking foreign currency positions; applying hedging; or taking short positions.

**Wholesale trusts**

The Strategies may invest directly, or indirectly via wholesale trusts. A wholesale trust is a wholesale fund managed by NZ Funds which holds investments. Those investments may include directly held securities and/or investments in funds, managed by NZ Funds or external specialist investment managers.

**Specialist managers**

External specialist investment managers (external managers) may be selected where NZ Funds considers their investment approach will help meet the objectives of the Strategies. The current external managers are available on our website.

**Use of derivatives**

It is important that you know that each Strategy has the ability to use derivatives. A derivative is a financial instrument, the value of which is derived from changes in the value of another asset (for example, a share market index, a commodity, a bond, or a currency). Examples of derivatives include futures, options, forwards and swaps.

Derivatives may be used in a Strategy to, for example, gain exposure to an asset and/or asset class, modify exposure to an asset and/or asset class, hedge or seek to mitigate exposure to an asset and/or asset class.

The use of derivatives can result in a Strategy being leveraged which means small changes in the value of an underlying asset on which the Strategy holds a derivative may result in substantial gains or losses for the Strategy.

**Joining the Service**

You can join the Service by investing in the Superannuation Class and/or the ROPS Class of a Strategy. You can join the Service by completing the relevant application form at the back of this PDS.

**Superannuation Class**

You can join the Superannuation Class if you are an individual, or a person who is the trustee or manager of a retirement scheme.

**ROPS Class**

You can join the ROPS Class if you are an individual who is tax resident in New Zealand and are looking to transfer money to the Service from a UK pension scheme or from another current or former QROPS. Other than these transfers, you cannot make contributions to the ROPS Class.

**Investment choices**

You can invest in the Service in one of two ways: using either SelfSelect or LifeCycle.

**A. SelfSelect**

Under SelfSelect, you choose your own investment mix by selecting which Strategies you want to invest in, and the proportion to be invested in each Strategy.

**B. LifeCycle**

Under LifeCycle, your investment is automatically allocated across the Income, Inflation, and Growth Strategies each year, based on your age.

Until you turn 55, your allocation will remain constant and your investment will be largely in the Growth Strategy. As you get closer to retirement more of your investment will be allocated to the Inflation Strategy and the Income Strategy. The chart on page 8 shows the current Strategy allocations under LifeCycle. These allocations may change from time to time.

LifeCycle is designed for members who plan to retire at age 65 and remain invested through their retirement years, drawing down on their savings regularly. It may not be appropriate for members who plan to withdraw all or a significant portion of their investment before age 65 or early into their retirement years.

You can switch between Lifecycle and SelfSelect at any time, subject to NZ Funds’ ability to suspend switches. See page 8 for more information on how to switch.

**Making investments**

**Superannuation Class**

You can contribute to the Superannuation Class of a Strategy by making regular or lump sum payments.

If you choose to make regular contributions, you will need to complete a direct debit form available on our website. You can make regular contributions on a weekly, fortnightly, monthly or quarterly basis. You can change or stop regular contributions any time by sending us a letter or email.

To make a lump sum payment, you will need to complete a lump sum contribution form available on our website.

**ROPS Class**

Other than transfers from UK pension schemes or other QROPS, you cannot make contributions to the ROPS Class of a Strategy.

**NZ Funds does not charge a contribution fee.**

**UK overseas transfer charge**

If you requested a transfer from a UK pension scheme to the Service after 9 March 2017, and at the time of the transfer you are not a New Zealand tax resident, you may be subject to a UK overseas transfer charge equal to 25% of the UK pension amount transferred. You may also be subject to the UK overseas transfer charge if you cease to be a New Zealand tax resident within five full UK
tax years from the date of the transfer, or if you transfer your ROPS class investment to a scheme in a country where you are not a tax resident.

We may be required to notify HMRC and to withdraw the amount of the UK overseas transfer charge from your investment and pay this on your behalf. By joining the ROPS Class, you agree that we may do this and that we may provide HMRC with all information they require.

For more information on the UK overseas transfer charge, see the 'Other Material Information' document on the offer register at disclose-register.companiesoffice.govt.nz.

Withdrawing your investments

You can withdraw your investment in accordance with the superannuation scheme rules set out in the Financial Markets Conduct Regulations 2014 (the Superannuation Scheme Rules) and the Trust Deed. Unless you satisfy one of the withdrawal criteria, you cannot generally withdraw from the Service. If you are invested in the ROPS Class, your withdrawal must also comply with the UK Pension Rules.

Superannuation Class

If you are invested in the Superannuation Class, you can withdraw your investment in the following circumstances:

Retirement

You can withdraw the full value of your investment when you reach the earlier of the age of eligibility for New Zealand Superannuation (currently age 65) or, the date you turn age 60 if the Supervisor is satisfied that you have permanently retired from business or employment.

Transition to retirement

Where the Supervisor is satisfied that you have reached the age that is 10 years before you qualify for New Zealand Superannuation (currently age 55) you may make periodic withdrawals from the Service calculated in accordance with the formula set out in the Superannuation Scheme Rules.

Significant financial hardship

If you are suffering or are likely to suffer significant financial hardship you may apply to the Supervisor to withdraw some or all of your investment.

Serious illness

If you are suffering from a serious illness, you may apply to the Supervisor to withdraw some or all of your investment.

ROPS Class

If you are invested in the ROPS Class, you will only be able to withdraw your investment in accordance with the UK Pension Rules which allow you to withdraw when you reach the UK normal minimum pension age (currently age 55), or if you meet the ill health or serious ill health conditions under UK law.

If you have transferred to the Service from a UK pension scheme or from another QROPS, we may also be required to comply with any withdrawal requirements imposed by the transferring scheme.

We may impose other terms and conditions on UK pension amounts held in the Service if we determine it to be necessary or desirable or in the best interests of the transferring member specifically, or the Service generally.

If you meet the withdrawal criteria, you may withdraw your entire investment in the ROPS Class. Based on our understanding of current law, if you are a New Zealand tax resident at the time of the withdrawal you should not be liable to pay any tax on the withdrawal. For more information on the withdrawal rules applying to the ROPS Class, see the ‘Other Material Information’ document.

Ill health or serious ill health

For a withdrawal under the ill health or serious ill health provisions, you will need to provide medical evidence to the Supervisor to support your application to withdraw.

UK tax

If you are invested in the ROPS Class and make a withdrawal or transfer that does not meet the withdrawal criteria, you may be subject to an unauthorised payments charge and unauthorised payments surcharge under UK law of up to 55% of the amount withdrawn if the amount includes money originally transferred from a UK pension scheme:

• before 6 April 2017 and you have not been a UK tax non-resident for five consecutive full UK tax years; or
• on or after 6 April 2017 and you have not been a UK tax non-resident for 10 consecutive full UK tax years and the transfer amount has not been invested in a QROPS for five years.

As a QROPS, we are required to report to HMRC all withdrawals and transfers by a member from the ROPS Class unless that withdrawal or transfer occurred:

• at least 10 full UK tax years after the member ceased to be a UK tax resident; and
• at least 10 years after the member first transferred those funds from a UK pension scheme.

The UK tax rules applying to the transfer and withdrawal of UK pension amounts are complex. We recommend you obtain professional tax advice before making any decision to withdraw or transfer any UK pension amounts. For more information on UK tax see the ‘Other Material Information’ document.

Withdrawals generally

Other withdrawals

NZ Funds will comply with the any law or Court order that requires it to release some or all of your investment from the Service.
2. HOW DOES THIS INVESTMENT WORK?

If you die while a member of the Service, your personal representatives can apply to withdraw the balance of your investment in the Service which will be paid to your estate.

Transfers

You may apply at any time to transfer your investment in the Service to another superannuation scheme, KiwiSaver scheme or equivalent overseas retirement scheme. However, if you are invested in the ROPS Class, you can only transfer your investment to another QROPS or UK registered pension scheme.

Suspension of withdrawals, transfers or switches

In certain circumstances, NZ Funds may suspend withdrawals, transfers or switches where it considers it is not practicable or would prejudice the interests of members.

For more information on withdrawals, see the ‘Other Material Information’ document. Withdrawal forms are available from your adviser or by contacting NZ Funds.

NZ Funds does not charge a withdrawal fee.

How to switch between funds

If you invest using SelfSelect and wish to change the allocation of your investment, or if you wish to switch between LifeCycle and SelfSelect, you will need to complete a switch form and send it to NZ Funds. This form is available from your adviser or on our website.

NZ Funds does not charge a switch fee.

A. SelfSelect

If you choose the SelfSelect option, you decide how much to invest in each Strategy.

B. LifeCycle

If you choose the LifeCycle option, your Strategy allocations as you age are shown below.
3. DESCRIPTION OF YOUR INVESTMENT OPTIONS

<table>
<thead>
<tr>
<th>NAME</th>
<th>OBJECTIVE</th>
<th>STRATEGY SUMMARY / TARGET INVESTMENT MIX</th>
<th>RISK CATEGORY</th>
<th>MINIMUM SUGGESTED TIMEFRAME</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. SelfSelect</td>
<td></td>
<td>Anticipated to hold mainly Australasian and international bonds. The Strategy is exposed to the British Pound.</td>
<td>5</td>
<td>2 years+</td>
</tr>
<tr>
<td>Income Strategy</td>
<td>British Pounds</td>
<td>Anticipated to hold mainly Australasian and international shares, and/or hedge funds. The Strategy is exposed to the British Pound.</td>
<td>6</td>
<td>10 years+</td>
</tr>
<tr>
<td>Income Strategy</td>
<td></td>
<td>Anticipated to hold mainly Australasian and international bonds.</td>
<td>2</td>
<td>2 years+</td>
</tr>
<tr>
<td>Inflation Strategy</td>
<td></td>
<td>Anticipated to hold mainly Australasian and international shares, and/or hedge funds.</td>
<td>4</td>
<td>5 years+</td>
</tr>
<tr>
<td>Growth Strategy</td>
<td></td>
<td>Anticipated to hold mainly Australasian and international shares, and/or hedge funds.</td>
<td>5</td>
<td>10 years+</td>
</tr>
<tr>
<td>B. LifeCycle</td>
<td></td>
<td>Anticipated to hold mainly Australasian and international bonds.</td>
<td>5</td>
<td>10 years+</td>
</tr>
<tr>
<td>LifeCycle - age 0-54</td>
<td></td>
<td>Anticipated to hold mainly Australasian and international bonds.</td>
<td>5</td>
<td>10 years+</td>
</tr>
<tr>
<td>LifeCycle - age 65</td>
<td></td>
<td>Anticipated to hold mainly Australasian and international bonds.</td>
<td>4</td>
<td>10 years+</td>
</tr>
<tr>
<td>LifeCycle - age 75</td>
<td></td>
<td>Anticipated to hold mainly Australasian and international bonds.</td>
<td>4</td>
<td>5 years+</td>
</tr>
</tbody>
</table>

1. Targets indicate what is expected to apply over the course of an economic cycle and should be considered as general guidance only. NZ Funds is an active manager and may use investment strategies that differ materially from the above targets. The Strategies may be invested in permitted assets in any proportion. 2. See page 4 for Strategy allocations. 3. Alternative securities means asset classes not usually accessed by retail investors, for example, private equity, venture capital and hedge funds. These tend to be asset classes where valuation and liquidity may be uncertain and returns may be volatile.

Further information on NZ Funds' investment approach can be found in the Statement of Investment Policy and Objectives (SIPO). The current SIPO is available on the scheme register at disclose-register.companiesoffice.govt.nz. We may make changes to the SIPO at any time after consulting with the Supervisor. A description of material changes will be included in the Service's annual report. Where required by the Trust Deed or law, you will receive notice of material changes before they occur. Further information about the assets in each Strategy can be found in the fund updates at www.nzfunds.co.nz.
4. WHAT ARE THE RISKS OF INVESTING?

Understanding the risk indicator

Managed funds in New Zealand must have a standard risk indicator. The risk indicator is designed to help investors understand the uncertainties both for loss and growth that may affect their investment. You can compare funds using the risk indicator.

The risk indicators for the investment options offered under this PDS can be found on page 4.

The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the fund’s assets goes up and down (volatility). A higher risk generally means higher potential returns over time, but more ups and downs along the way.

To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at www.nzfunds.co.nz/AdviceSolutions/RiskProfile/.

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

The risk indicator is not a guarantee of a fund’s future performance. The risk indicator is based on the returns data for the five years to 30 September 2019. While risk indicators are usually relatively stable, they do shift from time to time. You can see the most recent risk indicator in the latest fund update for the relevant investment option.

As the Service has not been in existence for a full five years, the risk indicators are based on market index returns as well as actual returns.

The risk indicator is based on historical returns only. It takes no account of expected future risk or potential returns. It may not be a reliable indicator of future risk, volatility or expected returns.

General investment risks

Some of the things that may cause a Strategy’s value to move up and down, which affect the risk indicator, are:

Market risk

Market risk is the risk of volatility or loss caused by a change in the value of the investments held by a Strategy. Market risk arises from uncertainty about the future value of investments held by a Strategy. These changes may be caused by factors specific to an investment, or as a result of factors affecting financial markets generally.

Illiquid securities

The Strategies may hold illiquid securities. Illiquid securities are assets that cannot quickly be converted or exchanged for cash (or not without a significant loss in value).

Illiquid securities generally carry a greater risk than liquid securities, particularly during times of market turmoil. Investment illiquidity may make it difficult to value, acquire or dispose of assets.

Certain investment instruments and techniques

NZ Funds and external managers are able to use certain investment instruments and techniques which can be high risk. The use of these instruments and techniques may increase the volatility of a Strategy and may also significantly increase the risk and extent of any loss. Examples include the use of derivatives and the taking of short positions.

Asset concentration

The Strategies can hold permitted asset classes and securities in any proportion or concentration, meaning that the Strategies may not be diversified. For example, a Strategy may be predominantly invested in a specific security, external manager, asset class, country or sector and may be particularly exposed to any adverse circumstances affecting them.

Higher risk securities and/or managers

The Strategies can invest in some securities or managers (for example, hedge funds) which are higher risk than the risk indicator of the Strategy where NZ Funds assesses that the investment will not materially alter the Strategy’s risk indicator. In making this assessment, NZ Funds may consider the different types of risk a Strategy is exposed to, asset correlations and liquidity. However, actual results may differ, increasing the risk and extent of any loss.

Currency

The Strategies’ unit prices are denominated in New Zealand dollars but the Strategies may be exposed directly or indirectly to foreign currencies. Currency risk is the risk that a Strategy’s returns may be affected by changes in the value, or terms, of a currency. While relevant for all Strategies, this risk is particularly significant for the Income Strategy - British Pounds and the Growth Strategy - British Pounds as these Strategies are designed to provide members with an exposure to the British Pound.

Other specific risks

Other circumstances that can significantly increase the risk to returns for investors and that are not reflected in the risk indicator include:

LifeCycle

There is a risk that the predefined age-based asset allocation used in LifeCycle may not be suitable for you as it does not take into account your personal circumstances, such as your attitude to risk or your financial circumstances.

Active management

NZ Funds uses an active management approach. An active management approach is subject to different risks (which may be considered higher risks) than a non-active management approach. As a result, NZ Funds’ active management approach may cause the returns and capital stability of the Strategies to significantly differ from the returns and capital stability of the underlying asset classes utilised.
Wide mandates
The Trust Deed and SIPO enable NZ Funds to invest in a wide range of assets and to change assets quickly and without notice to investors. As part of its investment management process, NZ Funds has developed internal investment guidelines which assist in the oversight of each Strategy.

Specialist managers
NZ Funds’ investment strategy may include the selection of external managers. There are a number of risks associated with investing with these managers, including wide mandates, redemption restrictions, and the risk that a manager selected underperforms or generates a loss. NZ Funds has a due diligence process for appointing external managers and all managers are monitored and reviewed.

Key person
The Strategies may be dependent on the services of key personnel of NZ Funds and may be adversely affected by the departure or performance of key personnel.

UK Pension Rule changes
The UK Pension Rules may change. Any changes may prevent future transfers of UK pension amounts to the Service, or impact a member’s ability to withdraw or transfer UK pension amounts from the Service. The QROPS requirements and restrictions applying to the Service may change from time to time in order to comply with UK or New Zealand regulations.

Loss of QROPS status
The Service could lose its QROPS status at any time. For members invested in the ROPS Class, the Service losing QROPS status may have an adverse impact on a member’s UK tax position in relation to their investment in the Service.

UK tax
A withdrawal or transfer of UK pension amounts from the Service may result in a member having an unauthorised payments charge and an unauthorised payments surcharge under UK law on the amount withdrawn or transferred.

There is also the risk that if you have transferred UK pension amounts to the Service on or after 9 March 2017 and the transfer was exempt from the UK overseas transfer charge, you may be required to pay the charge in the future if your circumstances change in the five full UK tax years after the transfer (for example, if you no longer meet the tax residency requirement).

For more information on the risks of investing in the Service, see the ‘Other Material Information’ document.

5. WHAT ARE THE FEES?
You will be charged fees for investing in the Service. Fees are deducted from your investment and will reduce your returns. If NZ Funds invests in other funds, those funds may also charge fees. The fees you pay will be charged in two ways:

- Regular charges (for example, annual fund charges). Small differences in these fees can have a big impact on your investment over the long term.
- One-off fees. NZ Funds does not charge any establishment, contribution, termination, withdrawal, switch or transfer fees.

<table>
<thead>
<tr>
<th>NAME</th>
<th>ESTIMATED ANNUAL FUND CHARGES¹</th>
<th>NZ FUNDS FEE REBATE FOR INVESTMENTS OF &gt;$1 MILLION²</th>
<th>ESTIMATED ANNUAL FUND CHARGES AFTER REBATE¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income Strategy – British Pounds</td>
<td>1.12%</td>
<td>1.12%</td>
<td>1.12%</td>
</tr>
<tr>
<td>Growth Strategy – British Pounds</td>
<td>1.65%</td>
<td>1.25%</td>
<td>1.25%</td>
</tr>
<tr>
<td>Income Strategy</td>
<td>1.12%</td>
<td>1.12%</td>
<td>1.12%</td>
</tr>
<tr>
<td>Inflation Strategy</td>
<td>1.42%</td>
<td>1.25%</td>
<td>1.25%</td>
</tr>
<tr>
<td>Growth Strategy</td>
<td>1.65%</td>
<td>1.25%</td>
<td>1.25%</td>
</tr>
<tr>
<td>LifeCycle – age 0-54</td>
<td>1.60%</td>
<td>1.24%</td>
<td>1.24%</td>
</tr>
<tr>
<td>LifeCycle – age 65</td>
<td>1.42%</td>
<td>1.21%</td>
<td>1.21%</td>
</tr>
<tr>
<td>LifeCycle – age 75</td>
<td>1.38%</td>
<td>1.20%</td>
<td>1.20%</td>
</tr>
</tbody>
</table>

1. Expressed as a percentage of the net asset value of each Strategy. Annual fund charges are deducted from the Strategy or the underlying funds it invests in (as applicable) and reflected in the Strategy’s unit price. Annual fund charges are made up of NZ Funds’ base fee and the following estimated fees and charges: service charges, external manager charges, and NZ Funds’ performance charge. 2. A fee rebate will apply where the total amount you have invested in the Service and other managed investment products issued by NZ Funds is $1 million or more. See page 12 for more information.
5. WHAT ARE THE FEES?

Annual fund charges
Annual fund charges are made up of:

Base fee
Each Strategy is charged an annual base fee by NZ Funds for managing and administering the Strategy. The base fee is fixed as a percentage of the gross asset value of each Strategy. Base fees are accrued daily and paid to NZ Funds monthly in arrears.

Service charges
These cover estimated third party charges for services provided to the Strategies and related underlying funds (wholesale trusts) that the Strategies invest in, such as custody, audit and legal fees, and the Supervisor’s fees.

External manager charges
These cover estimated management and performance fees that may be charged by external managers. Actual fees will depend on the managers selected (which will change from time to time) and on their performance and will vary from the estimates.

NZ Funds performance charge
None of the Strategies are charged a performance fee directly by NZ Funds. However, where specific performance targets are met, NZ Funds may charge a performance fee in certain wholesale trusts that the Strategies invest in.

The annual fund charges include estimated NZ Funds performance fees ranging from 0.02% to 0.04% of the net asset value of each Strategy. Actual performance fees will depend on the performance of the relevant wholesale trust and will vary from the estimates. For more information, see ‘NZ Funds performance-based fees’ below and the ‘Other Material Information’ document.

NZ Funds fee rebate
A fee rebate will apply if the total amount you have invested in the Service and managed investment products issued by NZ Funds under the NZ Funds KiwiSaver Scheme, NZ Funds Advised Portfolio Service, and NZ Funds WealthBuilder is $1 million or more.

The fee rebate is calculated daily based on the balance of your investment and paid monthly. The effect of the fee rebate is illustrated in the table on page 11.

For more information on fees (including the basis of estimates) and the fee rebate, see the ‘Other Material Information’ document.

NZ Funds performance-based fees
NZ Funds may charge a performance fee in the following wholesale trusts that the Strategies invest in: Private Core Income Trust; Private Global Income Trust; Private Preferred Income Trust; and Private Dividend Yield Trust.

All performance fees are based on a hurdle rate of return. The hurdle rate is the minimum return the wholesale trust must achieve before a performance fee can be charged.

The following tables set out the Strategies that invest in these wholesale trusts (as at the date of this PDS) and the criteria that needs to be met in order for a performance fee to be paid.

<table>
<thead>
<tr>
<th>Private Core Income Trust</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Investing Strategies</strong>: Income Strategy - British Pounds, Income Strategy</td>
</tr>
<tr>
<td><strong>Hurdle rate of return</strong>: S&amp;P/NZX Investment Grade Corporate Bond Index Total Return</td>
</tr>
<tr>
<td><strong>Fee amount</strong>: 10% of the amount by which performance (after deduction of a notional base fee but before tax) exceeds the hurdle rate of return</td>
</tr>
<tr>
<td><strong>Maximum fee limit</strong>: None</td>
</tr>
<tr>
<td><strong>High-water mark</strong>: Yes – see page 13</td>
</tr>
<tr>
<td><strong>Calculation and payment</strong>: Calculated and accrued daily and payable annually within 30 days of 31 March each year</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Private Global Income Trust</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Investing Strategies</strong>: Income Strategy - British Pounds, Income Strategy</td>
</tr>
<tr>
<td><strong>Hurdle rate of return</strong>: Bloomberg Barclays Global Aggregate Corporate Total Return Index Hedged USD</td>
</tr>
<tr>
<td><strong>Fee amount</strong>: 10% of the amount by which performance (after deduction of a notional base fee but before tax) exceeds the hurdle rate of return</td>
</tr>
<tr>
<td><strong>Maximum fee limit</strong>: None</td>
</tr>
<tr>
<td><strong>High-water mark</strong>: Yes – see page 13</td>
</tr>
<tr>
<td><strong>Calculation and payment</strong>: Calculated and accrued daily and payable annually within 30 days of 31 March each year</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Private Preferred Income Trust</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Investing Strategies</strong>: Inflation Strategy</td>
</tr>
<tr>
<td><strong>Hurdle rate of return</strong>: S&amp;P/NZX Bank Bills 90 Day Index Total Return plus 2.0% p.a.</td>
</tr>
<tr>
<td><strong>Fee amount</strong>: 10% of the amount by which performance (after deduction of a notional base fee but before tax) exceeds the hurdle rate of return</td>
</tr>
<tr>
<td><strong>Maximum fee limit</strong>: None</td>
</tr>
<tr>
<td><strong>High-water mark</strong>: Yes – see page 13</td>
</tr>
<tr>
<td><strong>Calculation and payment</strong>: Calculated and accrued daily and payable annually within 30 days of 31 March each year</td>
</tr>
</tbody>
</table>
Private Dividend Yield Trust

Investing Strategies:

- Inflation Strategy
- Growth Strategy - British Pounds
- Growth Strategy

Hurdle rate of return:

- 70% S&P/NZX 50 Portfolio Index
- Gross with Imputation
- 30% S&P/ASX Accumulation 200 Index

Fee amount:

- 15% of the amount by which performance (with imputation credits but before tax and after deduction of a notional base fee*) exceeds the hurdle rate of return.

Maximum fee limit:

- None

High-water mark:

- Yes – see below.

Calculation and payment:

- Calculated and accrued daily and payable annually within 30 days of 31 March each year.

---

1. As at the date of this PDS. For current details of the Strategies that invest in the wholesale trusts where a performance-based fee may be charged, see the 'Other Material Information' document.

2. As the hurdle rate of return is based on the performance of the relevant wholesale trust, you may pay a performance fee even if the Strategy's overall performance is below the market index as reported in the fund updates.

3. The wholesale trusts are not charged a base fee by NZ Funds. However, for the purposes of calculating performance fees, a notional base fee is deducted. For more details see the 'Other Material Information' document.

High-water mark

A performance fee is accrued if the performance of the relevant wholesale trust has exceeded its hurdle rate of return. However, the payment of any performance fee can only occur once the high-water mark is achieved.

A high-water mark is the value a fund must reach before the manager is paid a performance fee. Each wholesale trust's high-water mark is the net asset value per unit the last time a performance fee was determined to be payable or 31 March 2019 in the case of the first performance fee.

The high-water mark ensures all underperformance is recovered before a performance fee is paid to NZ Funds. If the high-water mark is not achieved as at 31 March each year, any accrued performance fee is carried forward and will be paid when the high-water mark is achieved.

NZ Funds may alter the rate and basis of calculation of the performance fee by providing one month's notice to all investors in the relevant Strategy.

Individual action fees

NZ Funds does not charge any establishment, contribution, termination, withdrawal or switch fees. This is a key feature of the Service.

With your agreement, your financial adviser may charge a fee for ongoing financial advice. If charged, this will be deducted from your account balance and paid to your financial adviser.

NZ Funds’ Private Wealth financial advisers will not charge an ongoing advice fee that exceeds 1.00% per annum (0.70% per annum for accounts over $1,000,000) of the value of your investment. NZ Funds will not facilitate the deduction of an ongoing advice fee that exceeds these amounts for other financial advisers.

If you are transferring money to the Service, your financial adviser may with your agreement, charge a transfer advice fee. If charged, this will be deducted from your transfer amount before your money is invested in the Service.

NZ Funds’ Private Wealth financial advisers do not charge a transfer advice fee. NZ Funds will not facilitate the deduction of a transfer advice fee that exceeds $1,000 (including GST) for other financial advisers.

If you are transferring from a UK defined benefit pension scheme where the transfer value is more than £30,000, you are required to obtain UK financial advice before you transfer. The fee for this UK advice should be agreed between you and your financial adviser before your pension is transferred and will be deducted from your transfer amount before your money is invested in the Service.

Example of how fees apply to an investor

Liam invests $10,000 in the Growth Strategy. He is charged management and administration charges (comprising base fee, service charges and external manager charges) which work out to about $163 (1.63% of $10,000). These fees might be more or less if his account balance has increased or decreased over the year.

Liam may also be indirectly charged a performance-based fee if the Private Dividend Yield Trust (a related underlying fund) in which the Growth Strategy is invested earned more than its target. Liam does not have a financial adviser and was not charged any advice fees.

Estimated total fees for the first year

- Fund charges: $165*

* Includes estimated NZ Funds performance-based fee.

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

This example applies only to the Growth Strategy. If you are considering investing in other investment options in the Service, this example may not be representative of the actual fees you may be charged.

Unless specifically noted, all fees are stated exclusive of GST or other similar tax. This means that if any GST, or other similar tax, is payable on any fee, that tax will be payable in addition to the amount of the fee.

In addition to the NZ Funds fee rebate, NZ Funds may in its discretion and from its own funds, reduce, pay, contribute to or rebate some of the fees and expenses described in this section.

The fees can be changed

Existing fees may be changed or new fees introduced in accordance with the Trust Deed. For more information, see the ‘Other Material Information’ document.

NZ Funds must publish a fund update for each investment option showing the fees actually charged during the most recent year. Fund updates including past updates, are available at www.nzfunds.co.nz.
6. WHAT TAXES WILL YOU PAY?

The Service is a portfolio investment entity. The amount of tax you pay is based on your prescribed investor rate (PIR). To determine your PIR, go to www.ird.govt.nz/toii/pir/. If you are unsure of your PIR, we recommend you seek professional advice or contact Inland Revenue.

It is your responsibility to tell NZ Funds your PIR when you invest or if your PIR changes. If you do not tell NZ Funds, a default rate may be applied.

If the advised PIR is lower than the correct PIR, you will need to complete a personal tax return and pay any tax shortfall, interest, and penalties. If the default rate or the advised PIR is higher than the correct PIR, you will not get a refund of any overpaid tax.

The foreign superannuation rules in the New Zealand Income Tax Act tax transfers from foreign superannuation schemes (other than from Australian superannuation schemes) to New Zealand superannuation schemes. You should consult your tax adviser before making a transfer to the Service from a foreign superannuation scheme.

For more information on tax, see the ‘Other Material Information’ document.

8. HOW TO COMPLAIN

In the first instance, please contact NZ Funds. Our contact details are set out in section 7 of this PDS ‘Who is involved?’ Complaints about an investment can also be made direct to the Supervisor.

Attention: NZ Funds Relationship Manager
The New Zealand Guardian Trust Company Limited
Level 14, 191 Queen Street
PO Box 274
Auckland 1140
T. 09 909 5100
E. ct-auckland@nzgt.co.nz
W. www.guardiantrust.co.nz

Dispute resolution scheme

NZ Funds and the Supervisor are both members of an approved dispute resolution scheme run by Financial Services Complaints Limited (FSCL). If your complaint has not been resolved to your satisfaction, you can contact FSCL. FSCL will not charge a fee to any complainant to investigate or resolve a complaint.

Attention: Early Assistance Officer
Financial Services Complaints Limited
PO Box 5967
Wellington 6145
T. 04 472 3725 or 0800 347 257
E. complaints@fscl.org.nz
W. www.fscl.org.nz

9. WHERE YOU CAN FIND MORE INFORMATION

More information about the Service and the Strategies, such as financial statements, annual reports, quarterly fund updates, the ‘Other Material Information’ document, the Trust Deed and the SIPO, is available on the offer register and the scheme register at disclose-register.companiesoffice.govt.nz.

A copy of information on the offer register and the scheme register is available on request to the Registrar of Financial Service Providers.

Fund updates and other information relating to the Strategies (including the ‘Other Material Information’ document and the SIPO) is also available on our website. You may request a copy of this information from NZ Funds free of charge. Our contact details are set out in section 7 of this PDS ‘Who is involved?’

10. HOW TO APPLY

You can apply to join the NZ Funds Managed Superannuation Service by completing the relevant application form at the back of this PDS.

7. WHO IS INVOLVED?

About NZ Funds

NZ Funds is the manager of the Service. NZ Funds makes decisions about what assets the Strategies invest in and may appoint external managers. NZ Funds is also responsible for the design of LifeCycle. Our contact details are:

Attention: Client Services
NZ Funds
Level 16, 21 Queen Street
Private Bag 92163
Auckland 1142
T. 09 377 2277 or 0508 733 337
E. info@nzfunds.co.nz
W. www.nzfunds.co.nz

Who else is involved?

<table>
<thead>
<tr>
<th>TITLE</th>
<th>NAME</th>
<th>ROLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supervisor and Custodian</td>
<td>The New Zealand Guardian Trust Company Limited</td>
<td>Supervisor and Custodian of the Service under the Financial Markets Conduct Act 2013, responsible for supervising NZ Funds as manager of the Service and holding scheme property on trust for the Service.</td>
</tr>
</tbody>
</table>
Application Form - Superannuation Class


Use this application form if you wish to join the Service and transfer funds from another New Zealand superannuation scheme or make lump-sum or regular contributions to the Service. If you wish to transfer UK pension funds, you will need to complete the ROPS Class application form.

Return to Freepost NZ Funds Managed Superannuation Service, Private Bag 92226, Victoria Street West, Auckland 1142, or by email to registry@nzfunds.co.nz.

<table>
<thead>
<tr>
<th>1</th>
<th>Applicant details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Name</strong></td>
<td></td>
</tr>
<tr>
<td>title</td>
<td>first name</td>
</tr>
<tr>
<td><strong>Date of birth</strong></td>
<td></td>
</tr>
<tr>
<td>day</td>
<td>month</td>
</tr>
<tr>
<td><strong>Residential address (not PO box)</strong></td>
<td></td>
</tr>
<tr>
<td>street</td>
<td></td>
</tr>
<tr>
<td>suburb</td>
<td>town/city</td>
</tr>
<tr>
<td><strong>Postal address (if different)</strong></td>
<td></td>
</tr>
<tr>
<td>street/PO box</td>
<td></td>
</tr>
<tr>
<td>suburb</td>
<td>town/city</td>
</tr>
<tr>
<td><strong>Phone</strong></td>
<td></td>
</tr>
<tr>
<td>mobile</td>
<td>home</td>
</tr>
<tr>
<td><strong>Email</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Are you a New Zealand tax resident?</strong></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Your IRD number must be provided before we can accept your investment.</td>
<td></td>
</tr>
<tr>
<td><strong>Are you a tax resident of any other country?</strong></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>countries of tax residence</td>
<td>Tax Identification Number (TIN)*</td>
</tr>
</tbody>
</table>

*If a TIN is unavailable, please provide the appropriate reason A, B or C.
A - Country does not issue TINs. B - I have not been issued with a TIN. C - Country does not require TIN collection.
Prescribed Investor Rate (PIR)
You must select a PIR for this investment. The amount of tax you pay on your NZ Funds Managed Superannuation Service investment is based on your PIR.
To determine your PIR, go to www.ird.govt.nz/toii/pir/. If a rate is not selected, the default rate of 28% will apply. See section 6 of the Product Disclosure Statement ‘What taxes will you pay?’ for more information.

**PIR (select one)**
- 10.5%  
- 17.5%  
- 28%

**2 | Payment options** *(Please select one or more)*
- I wish to make a lump sum contribution of **$** by way of cheque.
  Please make any cheques payable to **NZ Guardian Trust - NZ Funds Managed Superannuation Service** marked ‘Account Payee Only’.
- I wish to make a lump sum contribution of **$** by direct credit.
  Please make any direct credits to **NZ Guardian Trust - NZ Funds Managed Superannuation Service (03-0104-0122344-000)**.
  Please include your surname in the payee particulars.
- I wish to make regular contributions (please complete the Direct Debit Form at the back of this PDS).
- I wish to transfer from another superannuation scheme (please complete an ‘Authority to transfer’ form available from our website at www.nzfunds.co.nz).

**Name of the superannuation provider**

**Name of the superannuation scheme**

**Current scheme member number**

- Transfer entire balance of my superannuation scheme account **OR** Transfer amount **NZ $**

**3 | Investment options** *(Please select one only)*
- LifeCycle - Under the LifeCycle option, your investment is automatically allocated across the Income, Inflation and Growth Strategies each year based on your age.
  **OR**
- SelfSelect - I wish to choose my own Strategy allocations as follows:

<table>
<thead>
<tr>
<th>% allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income Strategy</td>
</tr>
<tr>
<td>Inflation Strategy</td>
</tr>
<tr>
<td>Growth Strategy</td>
</tr>
</tbody>
</table>

Total 100%

Any additional lump sum or regular contributions will be allocated per LifeCycle or SelfSelect as selected above.
If you wish to change your allocation or switch between LifeCycle and SelfSelect, you may do so by completing a Switch Form available from our website at www.nzfunds.co.nz.
Nature and purpose of this investment

Nature of the investment
- Initial lump sum only
- Lump sums
- Regular contributions
- Lump sums and regular contributions

Purpose of the investment
- Pre retirement, saving for retirement
- Post retirement, income in retirement
- Other (please explain)

4 | Terms and Conditions

By signing this Application Form, I confirm that:

- All details provided in this Application Form are correct.
- I have received, read and understood the Product Disclosure Statement (PDS) dated 11 November 2019 to which this Application Form was attached. I understand that additional information about the NZ Funds Managed Superannuation Service is available on the online register entry at disclose-register.companiesoffice.govt.nz.
- I agree to be bound by the terms and conditions contained in the PDS (including this Application Form), the Trust Deed (as amended from time to time) and the online register entry.
- I understand that personal information provided in this Application Form and any personal information provided by me in the future will be used by NZ Funds and the Supervisor, and any related companies of these parties, together with my financial adviser, for administering the investment, including satisfying the requirements of the AML/CFT Act (this may include using my personal information for the purpose of electronic identity verification using various third party databases including the Department of Internal Affairs database). I understand my personal information may also be shared with relevant authorities including Inland Revenue. NZ Funds may also use my personal information to provide me with information about other products and services. I acknowledge that I have the right to access and correct this information.
- I authorise NZ Funds to disclose personal information to the Financial Markets Authority as may be required from time to time under the Financial Markets Conduct Act 2013 or any other law.
- I agree to inform NZ Funds of any changes of tax residency status that apply to me within 30 days of the change.
- If I am a member of another superannuation or other retirement savings scheme (and have chosen to transfer my benefit from that scheme to the Service), I agree to the transfer of my interest in the other scheme to the Service and authorise the manager and/or the supervisor of my current scheme to provide NZ Funds and the Supervisor with any personal information needed to complete the transfer.
- I consent to NZ Funds communicating with me, and providing me with information, by electronic means (i.e. by email or SMS/txt messages, as provided by me, and/or by providing me with a URL link, or with information through an electronic facility). These communications may include, but not be limited to, general correspondence, investment updates, and legally required communications or documents (including annual reports, annual member statements (confirmation information), and annual tax statements).
- I authorise NZ Funds to deduct units from my holding in the Service to fund any advice fees as agreed with my financial adviser.
- I confirm my selected PIR is correct.
- I understand the value of my investment in the Service can rise and fall depending on market conditions and other circumstances prevailing at the time, and that there is no promise or guarantee made by any person as to the performance of any investment or the return of any funds invested.

Applicant signature

Signature

day month year

Important

- The AML/CFT Act 2009 requires verification of identity of the applicant. Please ensure the relevant identity information on the following pages is completed in full.
# Identity verification

NZ Funds is required by the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (AML/CFT Act) to collect identity and address information on its clients.

All new clients must complete identity and address verification and provide the appropriate documents. Existing clients may be required to complete identity and address verification or update their identity documents. NZ Funds or your financial adviser will advise if this is required.

## There are three options to complete identity verification:

Please tick option selected.

<table>
<thead>
<tr>
<th>Option 1</th>
<th></th>
</tr>
</thead>
</table>
| Electronic identity verification by your financial adviser | • You do not need to complete section 5.  
• Your financial adviser will need to attach a completed Electronic Verification Certificate. |

<table>
<thead>
<tr>
<th>Option 2</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Documents verified face-to-face by your financial adviser or an NZ Funds employee*</td>
<td>• Please complete section 5A and take your original documents along to your financial adviser or an NZ Funds office to have section 5C(i) completed.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Option 3</th>
<th></th>
</tr>
</thead>
</table>
| Documents certified face-to-face by a Trusted Referee** AND Verified by your financial adviser or an NZ Funds employee* | • Please complete section 5A and take your original documents along to a Trusted Referee to certify your documents and complete section 5B.  
• Please send the original certified copies to your financial adviser who will verify these and complete section 5C(ii). If you do not have a financial adviser, please send your form and original certified copies to: New Zealand Funds Management Limited, Private Bag 92226, Auckland, 1142. |

* To complete verification, the adviser, employee or other authorised person must be listed on the NZ Funds ‘Register of Individuals Authorised to Perform CDD’.

** A Trusted Referee must be either a Justice of the Peace, a Lawyer, a Notary Public, a Chartered Accountant, a Registered medical doctor or a Registered teacher. A Trustee Referee cannot:

- Be your spouse or partner;  
- Be related to you; 
- Live at the same address as you; or  
- Be involved in the transaction or business requiring certification.

Where documents are being certified outside of New Zealand, your Trusted Referee must be a person who is authorised to take statutory declarations under the laws of the country, state or territory where the documents are being certified.

### Important

- Document certification by a Trusted Referee must occur no earlier than three months prior to the date of presentation.  
- Please ensure certified copies of the original documents are attached to this form.  
- Where an individual is unable to supply documents as required, please contact NZ Funds on 0508 733 337 or via email at clientservices@nzfunds.co.nz.
### 5A | Documentary identity verification

#### Identity verification
To verify your identity, select ONE of the ID combinations and tick which document(s) you are providing below:

<table>
<thead>
<tr>
<th>ID Combination 1</th>
<th>ID Combination 2</th>
<th>ID Combination 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passport OR NZ firearms licence</td>
<td>NZ driver licence</td>
<td>NZ driver licence OR 18+ / Kiwi Access card</td>
</tr>
<tr>
<td>And ONE of the documents listed below:</td>
<td>Credit, debit or eftpos card (including name and signature)</td>
<td>And ONE of the documents listed below:</td>
</tr>
<tr>
<td>Bank statement</td>
<td>Government agency document (e.g. IRD correspondence)</td>
<td>Full birth certificate</td>
</tr>
<tr>
<td>Government agency document (e.g. IRD correspondence)</td>
<td></td>
<td>Citizenship certificate</td>
</tr>
</tbody>
</table>

#### Residential address verification
To verify your residential address, select ONE of the options below. This document must be no more than six months old.

- Bank or financial institution statement
- Utility document (e.g. electricity, gas, water, landline telephone or Sky TV)
- Rates or house insurance document
- Government agency document (e.g. IRD correspondence)

Digital versions of utility and house insurance documents are acceptable if they show you to be responsible for a fixed non-movable service at the address (digital bank statements and Government agency documents are not acceptable for address verification but can be provided for identity verification.)

### 5B | Certification by a Trusted Referee

This section is to be completed if documents are not being verified face-to-face by your financial adviser or an NZ Funds employee.

Enter name:  

- I have seen the original documents selected above, each of which represents the identity (i.e. name, date of birth and residential address) of the applicant.
- I have signed copies of those documents and attached these to this form.
- The copies of those documents attached are true copies of the original documents of the applicant seen by me today.
- I am a (tick ONE of the following):
  - Justice of the Peace
  - Notary Public
  - Registered medical doctor
  - Lawyer
  - Chartered Accountant
  - Registered teacher

Signature of Trusted Referee: 

Date: __/__/__

### 5C | Verification by your financial adviser or an NZ Funds employee*

This section must be completed.

5C(i) Documents verified face-to-face

- I have met the applicant face-to-face and have seen the original documents selected, each of which represents the identity (i.e. name, date of birth and residential address) of the applicant, in accordance with the AML/CFT Act. Copies of the selected documents are attached to this form.

OR

5C(ii) Documents certified by Trusted Referee

- I have verified the documents which have been certified by a Trusted Referee and have verified the identity information of the applicant in accordance with the AML/CFT Act. Copies of the certified documents are attached to this form.

Signature

Name of financial adviser / NZ Funds employee*: 

Signature of financial adviser / NZ Funds employee*: 

Date: __/__/__

* To complete verification, the adviser, employee or other authorised person must be listed on NZ Funds' 'Register of Individuals Authorised to Perform CDD'.

Continued over...
Adviser fees (in accordance with written client agreement)

☐ Transfer advice fee of $1,000 OR a lesser amount of $_____________ deducted from the transfer amount received by NZ Funds.

☐ Ongoing advice fee of _____% p.a. of the aggregate amount that the Client has invested in the Strategies paid either monthly or fortnightly in arrears and deducted proportionately across the Strategies invested in.

☐ Ongoing advice fee of $__________ p.a. paid in either monthly or fortnightly instalments and deducted proportionately across the Strategies invested in.

Note: Ongoing advice fee must not exceed 1.00% p.a. (0.70% p.a. for accounts over $1,000,000) of the aggregate amount that the Client has invested in the Strategies.

Adviser declaration

I confirm I am an Authorised Financial Adviser authorised to provide financial adviser services in relation to this transaction and that any transfer advice fee and/or ongoing advice fee is: authorised for deduction under a written agreement with the Client; and
• The amount of the fee or fees does not exceed the amount(s) specified in the agreement with the Client; and
• I have advised the Client of these fees.

Adviser name

Adviser FSP number

Adviser company

Adviser code

Adviser signature

day  month  year
# Applicant details

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<thead>
<tr>
<th>Name</th>
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<tr>
<td>title</td>
<td>first name</td>
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<table>
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<tr>
<th>Date of birth</th>
<th>Country of birth</th>
<th>Occupation</th>
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<td>day</td>
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<th>Residential address (not PO box)</th>
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<td>street</td>
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<td>suburb</td>
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**Are you a New Zealand tax resident?**

- Yes
- No

If Yes, please provide your IRD number.

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<th>IRD number</th>
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Your IRD number must be provided before we can accept your investment.

**Are you a tax resident of any other country?**

- Yes
- No

If Yes, please provide the country and Tax Identification Number (TIN)*.

<table>
<thead>
<tr>
<th>countries of tax residence</th>
<th>Tax Identification Number (TIN)*</th>
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<tbody>
<tr>
<td>reason</td>
<td></td>
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</table>

*If a TIN is unavailable, please provide the appropriate reason A, B, or C.

- A – Country does not issue TINs.
- B – I have not been issued with a TIN.
- C – Country does not require TIN collection.
If you wish to transfer funds from a UK pension scheme, please complete Section 2A below.

If you wish to transfer funds from a current or former Qualifying Recognised Overseas Pension Scheme (QROPS), please complete Section 2B below.

### 2A | Transferring from a UK pension scheme

Please complete the details of your current UK pension scheme(s) below.

If you have more than one UK pension scheme that you wish to transfer funds from, please complete for all pensions.

**Pension one**

- Name of the UK pension provider
- Name of the UK pension scheme
- Address of the UK pension scheme
  - Street / PO box
  - Suburb
  - Town / city
  - Postcode
- UK pension scheme ID number
- Current scheme member number
- Transfer entire balance of UK scheme account *
- Estimated transfer amount* £

* The Service is denominated in New Zealand dollars and therefore the transfer amount will be converted from GBP into New Zealand dollars at the prevailing exchange rate.

**Pension two (if applicable)**

- Name of the UK pension provider
- Name of the UK pension scheme
- Address of the UK pension scheme
  - Street / PO box
  - Suburb
  - Town / city
  - Postcode

---

Prescribed Investor Rate (PIR)

You must select a PIR for this investment. The amount of tax you pay on your NZ Funds Managed Superannuation Service investment is based on your PIR.

To determine your PIR, go to www.ird.govt.nz/toii/pir/. If a rate is not selected, the default rate of 28% will apply. See section 6 of the Product Disclosure Statement ‘What taxes will you pay?’ for more information.

**PIR (select one)**

- 10.5%
- 17.5%
- 28%

**UK tax details**

- Date ceased to be a UK tax resident
- UK National Insurance number
UK pension scheme ID number
Transfer entire balance of UK scheme account
Estimated transfer amount
* The Service is denominated in New Zealand dollars and therefore the transfer amount will be converted from GBP into New Zealand dollars at the prevailing exchange rate.

2B | Transferring from a QROPS

Please complete details of your current QROPS provider and transfer amount.

Name of the QROPS provider
Name of the QROPS
Address of the QROPS
street / PO box
suburb city postcode
QROPS number
Current scheme member number
Transfer entire balance of QROPS account
Estimated transfer amount

3 | Investment options (Please select one only)

- LifeCycle - Under the LifeCycle option, your investment is automatically allocated across the Income Strategy, Inflation Strategy and Growth Strategy each year based on your age.
- OR
- SelfSelect - I wish to choose my own Strategy allocations as follows:

<table>
<thead>
<tr>
<th>% allocation</th>
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<tbody>
<tr>
<td>Income Strategy - British Pounds</td>
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<tr>
<td>Growth Strategy - British Pounds</td>
</tr>
<tr>
<td>Income Strategy</td>
</tr>
<tr>
<td>Inflation Strategy</td>
</tr>
<tr>
<td>Growth Strategy</td>
</tr>
</tbody>
</table>

Total 100%

Any transfers will be allocated per LifeCycle or SelfSelect as selected above.
If you wish to change your allocation or switch between LifeCycle and SelfSelect, please complete a Switch Form available from our website at www.nzfunds.co.nz.

Purpose of this investment

- Pre retirement, saving for retirement
- Post retirement, income in retirement
- Wealth accumulation
- Other (please explain)
Terms and Conditions

By signing this Application Form, I confirm that:

• All details provided in this Application Form are correct.
• I have received, read and understood the Product Disclosure Statement (PDS) dated 11 November 2019 to which this Application Form was attached. I understand that additional information about the NZ Funds Managed Superannuation Service (Service) is available on the online register entry at disclose-register.companiesoffice.govt.nz.
• I agree to be bound by the terms and conditions contained in the PDS (including this Application Form), the Trust Deed (as amended from time to time) and the online register entry.
• I understand that personal information provided in this Application Form and any personal information provided by me in the future will be used by NZ Funds and the Supervisor, and any related companies of these parties, together with my financial adviser, for administering the investment, including satisfying the requirements of the AML/CFT Act (this may include using my personal information for the purpose of electronic identity verification using various third party databases including the Department of Internal Affairs database). I understand my personal information may also be shared with relevant authorities including Inland Revenue. NZ Funds may also use my personal information to provide me with information about other products and services. I acknowledge that I have the right to access and correct this information.
• I authorise NZ Funds to disclose personal information to the Financial Markets Authority as may be required from time to time under the Financial Markets Conduct Act 2013 or any other law.
• I agree to inform NZ Funds of any changes of tax residency status that apply to me within 30 days of the change.
• I consent to NZ Funds communicating with me, and providing me with information, by electronic means (i.e. by email or SMS/txt messages, as provided by me, and/or by providing me with a URL link, or with information through an electronic facility). These communications may include, but not be limited to, general correspondence, investment updates, and legally required communications or documents (including annual reports, annual member statements (confirmation information), and annual tax statements).
• I acknowledge that NZ Funds has recommended I seek professional tax advice if I intend transferring funds directly from a UK pension scheme to the Service.
• I acknowledge that if I am transferring funds directly from a UK pension scheme or any other foreign superannuation scheme to the Service, I may be liable to pay tax in New Zealand or the UK and that neither NZ Funds nor the Supervisor takes any responsibility for any tax consequences that may arise as a result of a transfer to, or withdrawal or transfer from, the Service.
• I understand that any UK pension funds transferred to the Service will be invested in the ROPS Class and will only be available for withdrawal in accordance with the UK Pension Rules.
• Where my interest in any UK pension scheme contains a guaranteed minimum entitlement or other protected rights, I understand that the Service does not provide the same degree of protection that would have applied to my investment had it remained in the UK pension scheme and that I will forfeit all protection associated with any protected rights funds that are transferred.
• I understand that my UK pension scheme provider or existing QROPS (as applicable) may charge me a fee for the transfer of my UK pension funds to the Service, and that this fee may be deducted by such provider from the funds being transferred. I understand that if I am transferring funds direct from a UK pension scheme (or from another QROPS denominated in GBP) then my funds will be converted from GBP to NZ dollars and the currency risk of this conversion is entirely my own.
• I acknowledge I may be liable to pay a UK overseas transfer charge if my circumstances change within the first five complete UK tax years following receipt of the transfer amount from the UK pension scheme. I agree to indemnify NZ Funds from any such charge. I acknowledge that NZ Funds may be required to deduct the charge from my investment in the Service and pay it to HMRC on my behalf.
• I agree to provide all information requested by NZ Funds in relation to any subsequent transfer or payment of my UK pension funds out of the Service and acknowledge that a failure to provide such information could result in the UK overseas transfer charge applying to the transfer.
• I understand that any withdrawals or transfers of UK pension funds from the Service may result in an unauthorised payment charge and an unauthorised payments surcharge under UK law. These unauthorised payment charges may be significant.
• I irrevocably agree to provide NZ Funds and/or the Supervisor with all information it requests to enable it to report to HMRC and I irrevocably authorise NZ Funds to provide any personal and other information about me and my membership in the Service to HMRC.
• I authorise NZ Funds to deduct units from my holding in the Service to fund any advice fees as agreed with my financial adviser.
• I confirm my selected PIR is correct.
• I understand the value of my investment in the Service can rise and fall depending on market conditions and other circumstances prevailing at the time, and that there is no promise or guarantee made by any person as to the performance of any investment or the return of any funds invested.

Applicant signature

signature

| day | month | year |

Important

• The AML/CFT Act 2009 requires verification of identity of the applicant. Please ensure the relevant identity information on the following pages is completed in full.
5 | Identity verification

NZ Funds is required by the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (AML/CFT Act) to collect identity and address information on its clients. All new clients must complete identity and address verification and provide the appropriate documents. Existing clients may be required to complete identity and address verification or update their identity documents. NZ Funds or your financial adviser will advise if this is required.

There are three options to complete identity verification:

Please tick option selected.

- **Option 1**
  - **Electronic identity verification by your financial adviser**
    - You do not need to complete section 5.
    - Your financial adviser will need to attach a completed Electronic Verification Certificate.

- **Option 2**
  - **Documents verified face-to-face by your financial adviser or an NZ Funds employee**
    - Please complete section 5A and take your original documents along to your financial adviser or an NZ Funds office to have section 5C(i) completed.

- **Option 3**
  - **Documents certified face-to-face by a Trusted Referee**
    - Please complete section 5A and take your original documents along to a Trusted Referee to certify your documents and complete section 5B.
    - Please send the original certified copies to your financial adviser who will verify these and complete section 5C(ii). If you do not have a financial adviser, please send your form and original certified copies to: New Zealand Funds Management Limited, Private Bag 92226, Auckland, 1142.

* To complete verification, the adviser, employee or other authorised person must be listed on the NZ Funds ‘Register of Individuals Authorised to Perform CDD’.

** A Trusted Referee must be either a Justice of the Peace, a Lawyer, a Notary Public, a Chartered Accountant, a Registered medical doctor or a Registered teacher. A Trustee Referee cannot:
  - Be your spouse or partner;
  - Be related to you;
  - Live at the same address as you; or
  - Be involved in the transaction or business requiring certification.

Where documents are being certified outside of New Zealand, your Trusted Referee must be a person who is authorised to take statutory declarations under the laws of the country, state or territory where the documents are being certified.

**Important**

Document certification by a Trusted Referee must occur no earlier than three months prior to the date of presentation.

Please ensure certified copies of the original documents are attached to this form.

Where an individual is unable to supply documents as required, please contact NZ Funds on 0508 733 337 or via email at clientservices@nzfunds.co.nz.
5A | Documentary identity verification

Identity verification
To verify your identity, select ONE of the ID combinations and tick which document(s) you are providing below:

ID Combination 1
- Passport OR
- NZ firearms licence

ID Combination 2
- NZ driver licence

ID Combination 3
- NZ driver licence OR
- 18+ /Kiwi Access card

Residential address verification
To verify your residential address, select ONE of the options below. This document must be no more than six months old.

- Bank or financial institution statement
- Utility document (e.g. electricity, gas, water, landline telephone or Sky TV)
- Rates or house insurance document
- Government agency document (e.g. IRD correspondence)

Digital versions of utility and house insurance documents are acceptable if they show you to be responsible for a fixed non-movable service at the address (digital bank statements and Government agency documents are not acceptable for address verification but can be provided for identity verification.)

5B | Certification by a Trusted Referee

This section is to be completed if documents are not being verified face-to-face by your financial adviser or an NZ Funds employee.

name__________ confirm that

- I have seen the original documents selected above, each of which represents the identity (i.e. name, date of birth and residential address) of the applicant.
- I have signed copies of those documents and attached these to this form.
- The copies of those documents attached are true copies of the original documents of the applicant seen by me today.
- I am a (tick ONE of the following):
  - Justice of the Peace
  - Notary Public
  - Registered medical doctor
  - Lawyer
  - Chartered Accountant
  - Registered teacher

signature of Trusted Referee__________ day month year

5C | Verification by your financial adviser or an NZ Funds employee*

This section must be completed.

5C(i) Documents verified face-to-face

I have met the applicant face-to-face and have seen the original documents selected, each of which represents the identity (i.e. name, date of birth and residential address) of the applicant, in accordance with the AML/CFT Act. Copies of the selected documents are attached to this form.

OR

5C(ii) Documents certified by Trusted Referee

I have verified the documents which have been certified by a Trusted Referee and have verified the identity information of the applicant in accordance with the AML/CFT Act. Copies of the certified documents are attached to this form.

Signature
name of financial adviser / NZ Funds employee*

signature of financial adviser / NZ Funds employee*

* To complete verification, the adviser, employee or other authorised person must be listed on NZ Funds ‘Register of Individuals Authorised to Perform CDD’.
Adviser fees (in accordance with written client agreement)

- Transfer advice fee of $1,000 OR a lesser amount of $\_\_\_\_\_\_ deducted from the transfer amount received by NZ Funds.
- Ongoing advice fee of \% p.a. of the aggregate amount that the Client has invested in the Strategies paid either monthly or fortnightly in arrears and deducted proportionately across the Strategies invested in.
- Ongoing advice fee of $\_\_\_\_\_\_ p.a. paid in either monthly or fortnightly instalments and deducted proportionately across the Strategies invested in.

Note: Ongoing advice fee must not exceed 1.00% p.a. (0.70% p.a. for accounts over $1,000,000) of the aggregate amount that the Client has invested in the Strategies.

Adviser declaration

I confirm I am an Authorised Financial Adviser authorised to provide financial adviser services in relation to this transaction and that any transfer advice fee and/or ongoing advice fee is: authorised for deduction under a written agreement with the Client; and

- The amount of the fee or fees does not exceed the amount(s) specified in the agreement with the Client; and
- I have advised the Client of these fees.

Adviser name

Adviser FSP number

Adviser company

Adviser code

Adviser signature day month year
This page has intentionally been left blank.
Direct Debit Form

Return to Freepost NZ Funds Managed Superannuation Service, Private Bag 92226, Victoria Street West, Auckland 1142, or by email to registry@nzfunds.co.nz.

NZ Funds Client Details

NZ Funds Managed Superannuation Service member name

<table>
<thead>
<tr>
<th>title</th>
<th>first name</th>
<th>middle name(s)</th>
<th>surname</th>
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NZ Funds client number

IRD number

I/we authorise you until further notice in writing to debit my/our account with $ to be deducted

- Weekly
- Fortnightly
- Monthly
- Quarterly
- Annually

Bank Details

Bank account name to be debited

Name of my/our bank

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<thead>
<tr>
<th>Bank</th>
<th>Branch</th>
<th>Account number</th>
<th>Suffix</th>
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Authority to accept direct debits

(Not to operate as an assignment or agreement)

Authorisation code

0 3 1 8 0 0 8

Approved

2227 06/16

From the acceptor to (my/our bank):

I/we authorise you to debit my/our account with the amounts of direct debits from NZ Funds Management Limited with the authorisation code specified on this authority in accordance with this authority until further notice.

I/we agree that this authority is subject to:

- The bank’s terms and conditions that relate to my/our account, and
- The specific terms and conditions listed over.

Information to appear on my/our bank statement

Payer Particulars

N Z F M N G D S U P E R

Signature(s)

signature

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Specific conditions relating to notices and disputes

I may ask my bank to reverse a direct debit up to 120 calendar days after the debit if:

- I don’t receive a written notice of the amount and date of each direct debit from the initiator, or
- I receive a written notice but the amount or the date of debiting is different from the amount or the date specified on the notice.

The initiator is required to give a written notice of the amount and date of each direct debit in a series of direct debits no less than 10 calendar days before the date of the first direct debit in the series. The notice is to include:

- the dates of the debits, and
- the amount of each direct debit.

If the bank dishonours a direct debit but the initiator sends the direct debit again within 5 business days of the dishonour, the initiator is not required to give you a second notice of the amount and date of the direct debit.

If the initiator proposes to change an amount or date of a direct debit specified in the notice, the initiator is required to give you notice:

- no less than 30 calendar days before the change, or
- if the initiator’s bank agrees, no less than 10 calendar days before the change.