NZ Funds Managed Superannuation Service

Other Material Information

28 October 2025

NZFunds

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1. Description

This document contains more information about the NZ Funds Managed Superannuation Service (Service). It should be read together with the Product Disclosure Statement (PDS), Statement of Investment Policy and Objectives (SIPO), Quarterly Fund Updates and any other documents held on the offer and scheme registers at *disclose-register.companiesoffice.govt.nz*.

In this document, the words 'you', 'your' or 'Member' means a person that invests in the Service and the words 'NZ Funds', 'we', 'us', 'our' or 'the Manager' means New Zealand Funds Management Limited. When we use the word 'current' or 'currently' about a law, policy, or practice we mean at the date of this document.

The information in this document may change. Please check the offer register at *disclose-register.companiesoffice.govt.nz* for updates.

2. NZ Funds Managed Superannuation Service

The Service is registered as a superannuation scheme under the Financial Markets Conduct Act 2013 (FMC Act). It is established and managed under the rules set out in its trust deed, also called the governing document (Trust Deed). You can get a copy of the Trust Deed from the scheme register at *disclose-register.companiesoffice.govt.nz*.

The Service is a Qualifying Recognised Overseas Pension Scheme (QROPS). A QROPS is a non-UK pension scheme that meets certain requirements set by Her Majesty's Revenue and Customs (HMRC) and can accept money transferred from a UK pension scheme or other current or former QROPS.

Investment options

The Service offers six investment options: five funds, also referred to as Strategies (Income Strategy – British Pounds, Growth Strategy – British Pounds, Income Strategy, Inflation Strategy, and Growth Strategy) and a life cycle investment option (Life Cycle).

Life Cycle automatically allocates your investment across the Income Strategy, Inflation Strategy, and Growth Strategy each year, based on your age (the Income Strategy – British Pounds and the Growth Strategy – British Pounds are not part of Life Cycle).

Alternatively, you can invest using Self Select. Under Self Select, you can choose which Strategy or Strategies to invest in and how much you would like to invest in each Strategy. More information on Life Cycle and each Strategy is included in the PDS.

Superannuation class & ROPS class

The Service has two classes of membership (the Superannuation class and the ROPS class) to reflect that the rules that apply to New Zealand superannuation schemes generally are not the same as the rules that apply to UK pension transfers.

The Superannuation class has been established for retirement savings and to receive money transferred from other superannuation schemes. You can also make regular or lump sum contributions to the Superannuation class.

The ROPS class has been established to receive money transferred from UK pension schemes or other QROPS. Other than these transfers, you cannot make contributions to the ROPS class.

The Income, Inflation and Growth Strategies have both a Superannuation class and ROPS class. The Income Strategy – British Pounds and the Growth Strategy – British Pounds only have a ROPS class.

3. The Manager

About NZ Funds

NZ Funds is the manager of the Service. We are licensed by the Financial Markets Authority (FMA) to be a manager of registered managed investment schemes under the FMC Act.

NZ Funds is wholly owned by Investment Group Holdings Limited (IGHL). IGHL is owned by interests associated with its directors and by the NZ Funds Executive Trustee Company Limited as trustee of the IGHL Trust. The beneficiaries of the IGHL Trust are mainly senior management of NZ Funds.

NZ Funds is a climate reporting entity under Part 7A of the FMC Act. We are required to make annual disclosures called “climate reports” for the Scheme covering governance arrangements, strategy, risk management, and metrics and targets for mitigating and adapting to climate-related impacts. The annual climate reports for the Scheme are on the Climate-related Disclosures Register, which can be accessed at *companiesoffice.govt.nz/all-registers/climate-related-disclosures*.

Our directors

John Lindsay Cobb (PG Dip (Business Finance), NZX Diploma, Level 1 and 2, ASX Derivatives qualification) is an independent director and Chair of NZ Funds. He was appointed a director of NZ Funds from February 2019. John has had a 20-year career in private wealth and investment banking, and now works with a number of small businesses assisting with growth and investment.

Bruce Baillie (BCom) is an independent director of NZ Funds, appointed from January 2022. Bruce is an experienced accountant who had a 30-year career as a Partner at PwC, involved in advising a wide range of organisations including many in the financial services industry, before embarking on a career as an independent director. He has significant experience in audit and financial reporting matters and is now an independent director and advisor to a range of organisations, including those in the financial services and fintech industries.

Gregory Bernard Horton (LLB (Hons), BCom) is an independent director of NZ Funds. Gregory was appointed a director of NZ Funds from May 2013. Gregory is a consultant to Harmos Horton Lusk Limited, a law firm based in Auckland. He has practiced law both in New Zealand and New York.

Michael John Lang (BA (Econ), LLB (Hons), CFA) is a director and Chief Executive of NZ Funds. Michael has more than 30 years experience in the financial services industry in New Zealand and in hedge funds overseas. Michael became a director of NZ Funds in 2010 and was appointed Chief Executive from October 2018. Michael is not an independent director as he is an employee of NZ Funds and has a material indirect ownership interest in NZ Funds as the beneficiary of a trust.

Russell William Tills (BCom, ACA) is a non-executive director of NZ Funds. Russell has more than 40 years' experience in the financial services industry in New Zealand and overseas. He joined NZ Funds in 1989 and was jointly responsible for building and leading NZ Funds until 2009. He was a director of NZ Funds until March 2010. He was reappointed as a director of NZ Funds from March 2016. Russell is not an employee of NZ Funds and he is not an independent director as he has a material indirect ownership interest in NZ Funds as the beneficiary of a trust.

Our directors may change from time to time. You can find the names of our directors at *companies-register.companiesoffice.govt.nz*.

4. Other parties

Supervisor

The New Zealand Guardian Trust Company Limited is the supervisor (Supervisor) of the Service. The Supervisor is licensed by the FMA to be a supervisor of registered managed investment schemes under the Financial Markets Supervisors Act 2011. More information on the Supervisor's licence is available on the FMA's website at *fma.govt.nz*.

The Supervisor's current directors are Robin Albert Flannagan, Bryan David Connor and Sarah Louise Graydon. The Supervisor's directors may change from time to time. You can find the names of the Supervisor's directors at *companies-register.companiesoffice.govt.nz*.

Custodian

The Supervisor is responsible for holding the property of the Service. Currently all property is held by the Supervisor, however, the Supervisor may enter into custodial services agreements with third parties to provide custodial services in the future.

Auditor

The auditor is Ernst & Young. Ernst & Young is registered under the Auditor Regulation Act 2011.

Solicitors

The solicitors are Russell McVeagh.

5. Supervisor & Manager indemnity

Unless it fails to meet the standard of care required by the FMC Act, if the Supervisor incurs any expense or liability in carrying out its role as Supervisor, it is indemnified under the Trust Deed (and can be reimbursed) from the Service's assets. We, as Manager, are also indemnified on the same terms. More information is set out in the Trust Deed. You can get a copy of the Trust Deed by contacting NZ Funds.

6. Joining & contributing

Joining the Service

You can join the Service by investing in the Superannuation class or the ROPS class of a Strategy. Who may invest in each class is described below and summarised in the table below. How you join the Service is explained in the PDS.

Superannuation class

You can invest in the Superannuation class if you are an individual, or a person who is the trustee or manager of a retirement scheme. If you are transferring money from a UK pension scheme or other QROPS, you will need to invest that money in the ROPS class as discussed below.

ROPS class

You can invest in the ROPS class if you are an individual who is tax resident in New Zealand and are transferring money from a UK pension scheme or from another QROPS. Other than these transfers, you cannot make contributions to the ROPS class.

There are specific UK pension rules that apply to QROPS (UK Pension Rules) for transfers and withdrawals of UK pension amounts. These rules continue to apply if you transfer from one QROPS to another QROPS.

NZ Funds recommends you get financial and tax advice before you join the Service to satisfy yourself that joining the Service will not result in you breaching the UK Pension Rules.

Transferring from another scheme

Transfers generally

You may transfer to the Service from any other superannuation scheme, retirement scheme or managed investment scheme. We can decline to accept a transfer in our discretion and no reasons are required to be given if any transfer is rejected.

If accepted, the amount you transfer will be credited to your member account. We must have regard to any restrictions, limitations or conditions imposed by the transferring scheme manager or supervisor.

You should be aware that the scheme you are transferring from may charge you fees when you exit their scheme. However, we do not charge any fee for processing transfers to the Service.

Transfers from UK pension schemes or other QROPS

You can transfer to the Service from a UK pension scheme or other QROPS however any amount transferred can only be invested in the ROPS class.

Transfers to the ROPS class will not incur UK tax liabilities if the amount transferred is within your remaining UK Overseas Transfer Allowance (OTA). From 6 April 2024, transfers to a QROPS will be tested against the OTA. An individual's OTA will be an amount equal to their Lump Sum and Death Benefit Allowance (LSDBA). For most people the OTA will default to £1,073,100. In some circumstances a UK Overseas Transfer Charge may apply – see page 7 for more information.

If your UK pension scheme provides any guaranteed minimum benefits (such as those included in defined benefit schemes or final salary schemes) then those benefit guarantees will no longer apply if you transfer to the Service.

NZ Funds may impose conditions on the acceptance of any UK pension scheme transfers as long as these comply with New Zealand law, the Trust Deed and the UK Pension Rules.

NZ Funds and the Supervisor are not responsible for any UK tax, other charges or adverse outcomes that arise as a result of you transferring to the Service.

	Superannuation class			ROPS class				
	Income Strategy	Inflation Strategy	Growth Strategy	Income Strategy – British Pounds	Growth Strategy – British Pounds	Income Strategy	Inflation Strategy	Growth Strategy
New Zealand superannuation transfer	✓	✓	✓					
New New Zealand superannuation investor	✓	✓	✓					
Regular contributions	✓	✓	✓					
UK pension scheme transfer				✓	✓	✓	✓	✓
QROPS transfer				✓	✓	✓	✓	✓

Making investments

Superannuation class

You can contribute to the Superannuation class of a Strategy by making regular or lump sum contributions. You are free to choose when and how much to invest. There are currently no minimum amounts.

To make regular contributions, you will need to complete a direct debit form (available at the back of the PDS or on our website at *www.nzfunds.co.nz*). We may accept alternative payment methods for regular contributions. You can make regular contributions on a weekly, fortnightly, monthly or quarterly basis and can change or stop your contributions at any time by sending us a letter or email.

To make a lump sum contribution, you will need to complete a lump sum contribution form (available on our website at *www.nzfunds.co.nz*).

ROPS class

Other than transfers from UK pension schemes or other QROPS, you cannot make contributions to the ROPS class.

7. Withdrawals

You can make a withdrawal under the superannuation scheme rules 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

The table below shows the main types of withdrawals if you are invested in the Superannuation class and what you can withdraw. More information on each type of withdrawal is included below.

Withdrawal type	What can you withdraw?
Retirement	The full value of your investment
Transition to retirement	Periodic withdrawals over up to a 10-year period calculated in accordance with the formula set out in the Superannuation Scheme Rules
Significant financial hardship	Up to the full value of your investment
Serious illness	Up to the full value of your investment
Death	The full value of your investment (which will be paid to your estate)

Retirement withdrawals

You can withdraw the full value of your investment in the Superannuation class 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 withdrawals

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 can make periodic withdrawals from the Service calculated under the formula in the Superannuation Scheme Rules.

The specified percentage that you can withdraw each year under the transition to retirement formula is shown below:

Age	Percentage of superannuation class investment that may be withdrawn
55	9%
56	10%
57	11%
58	13%
59	14%
60	17%
61	20%
62	25%
63	33%
64	50%
65	100%

The annual withdrawal limits are not cumulative (for example, at age 58 a member cannot withdraw 43% of their investment, they can only withdraw 13% over the next 12 month period).

Significant financial hardship

If you are suffering or are likely to suffer significant financial hardship, you can apply to the Supervisor to withdraw some or all of your investment in the Superannuation class. Significant financial hardship includes significant financial difficulties that arise because of:

- your inability to meet minimum living expenses;
- your inability to meet your mortgage repayments on your principal family residence resulting in the mortgagee seeking to enforce the mortgage on the residence;
- the cost of modifying a residence to meet special needs arising from your disability or the disability of any of your dependants;
- the cost of medical treatment for an illness or injury suffered by you or any of your dependants;
- the cost of palliative care for you or any of your dependants;
- the cost of a funeral for any of your dependants; or
- if you are suffering from a serious illness (see below).

The Supervisor must be reasonably satisfied that reasonable alternative sources of funding have been explored and exhausted. The Supervisor can limit the withdrawal to an amount that it thinks is enough to help with your hardship. You may be required to give evidence supporting your application.

Serious illness

If you are suffering from a serious illness, you can apply to the Supervisor to withdraw some or all of your investment in the Superannuation class. Serious illness means an injury, illness or disability that:

- results in you being totally and permanently unable to engage in work for which you are suited by reason of experience, education, training, or any combination of those things; or
- poses a serious and imminent risk of death.

You may be required to give evidence supporting your application.

ROPS class

If you are invested in the ROPS class, you can only 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 and increasing to 57 on 6 April 2028); or
- if you meet the ill health or serious ill health conditions under UK law.

When you make a withdrawal from the ROPS class, 25% of the original amount of your UK sourced pension funds along with any returns, will be tax free. UK tax may be payable on the remaining 75% depending on your tax residency. Based on our understanding of the current law, if you are a New Zealand tax resident at the time of withdrawal, you should not be liable to pay any UK tax on the withdrawal. Your tax residency depends on your individual circumstances.

If you withdraw any amount in excess of the authorised amounts (either as a lump sum or as a pension) you may be liable for an unauthorised payments charge and an unauthorised payments surcharge (see section 13 'How your investment is taxed' for more information).

If you have transferred to the Service from a UK pension scheme or from another QROPS, we may also have to comply with any withdrawal requirements set by the transferring scheme. We can decline a withdrawal or transfer request if we consider that allowing the withdrawal or transfer is not in the best interests of the Service or the Members.

The summary above is based on our understanding of current UK law. Future changes to the UK Pension Rules could adversely affect the tax treatment of any withdrawals or transfers that you make. You should discuss the potential UK tax consequences of any withdrawal or transfer from the ROPS class with your tax adviser before you make the withdrawal or transfer.

None of the parties involved in the Service are responsible for any tax consequences arising from your withdrawal or transfer.

Ill health

If you retire before age 55 (increasing to 57 on 6 April 2028) because of ill health, then you can apply to make a withdrawal in the same way as if you had reached age 55 (increasing to 57 on 6 April 2028). You must give the Supervisor medical evidence that you are, and will continue to be, incapable of carrying on your occupation because of physical or medical impairment.

Serious ill health

If you retire before age 55 (increasing to 57 on 6 April 2028) because of serious ill health, then you can apply to withdraw the full value of your investment in the ROPS class as a lump sum. You must give the Supervisor medical evidence that you are expected to live for less than one year.

Other withdrawals

Death

If you die while a member of the Service, your personal representatives (that is, the executors or administrators of your estate) may apply to withdraw the balance of your investment. If your savings are less than the prescribed amount (currently $15,000) and other conditions are met, we can pay the balance of your investment directly to a person allowed by law to receive it. This could be a surviving spouse or partner.

Other laws

NZ Funds and the Supervisor will comply with any law or Court order telling us to release some or all of your investment. For example, a Court order under the Property (Relationships) Act 1976.

How to request a withdrawal

You can request a withdrawal by completing the relevant withdrawal form and sending it to NZ Funds. Withdrawal forms are available on our website at *www.nzfunds.co.nz*.

Transfers

You can apply to transfer your investment in the Service to another superannuation scheme, KiwiSaver scheme, or an equivalent overseas retirement scheme. If the other scheme agrees to accept the transfer, we will transfer the value of your member account to that scheme.

If you are invested in the ROPS class, you can only transfer your investment to another QROPS or a UK registered pension scheme. Transfers from the ROPS class may also be subject to the UK Overseas Transfer Charge (see below).

Restrictions on withdrawals

In some circumstances you may not be able to withdraw, as a lump sum, funds that you have transferred from another scheme if withdrawal conditions from the other scheme apply. For example, the amount transferred may be subject to a requirement for all or part of the transfer amount to be locked in or withdrawn in the form of an annuity, or other form of income for life.

If you have transferred from a UK pension scheme or another QROPS, we may agree with the scheme manager of that UK pension scheme or QROPS to impose other terms and conditions on the amount you have transferred to the Service.

UK Overseas Transfer Charge & Unauthorised Payments Charge

If you transferred from a UK pension scheme to the Service (or to another QROPS) on or after 9 March 2017 and at the time of the transfer you were not a New Zealand tax resident, or within five full UK tax years (the UK tax year runs from 6 April to the next 5 April) following the transfer, you:

- cease to be a New Zealand tax resident; or
- transfer your investment in the ROPS class to a scheme in a country where you are not tax resident,

then you may be required to pay to HMRC a UK Overseas Transfer Charge equal to 25% of the UK pension amount transferred. This may also arise if you do not provide all required information before a transfer is processed. In addition, there may be UK tax on an unauthorised withdrawal or transfer of up to 55% of the amount withdrawn or transferred. See section 13 'How your investment is taxed' for more information.

8. Other key terms

This section summarises some of the key terms used in the Service. For more detailed information, please see the Trust Deed.

Valuation & unit pricing

Calculating a unit price allows us to value your investment in a Strategy. Each Strategy's unit price is calculated by dividing the net asset value of that Strategy by the number of units issued to Members. The net asset value is the value of a Strategy's assets less its liabilities.

The Trust Deed sets out the principles that apply to the valuation of a Strategy's assets and calculation of net asset value. We generally calculate the net asset value of a Strategy each business day (called a Valuation Day).

NZ Funds may set valuation methods and policies for each category of asset and change them from time to time. The Supervisor approves these methods and policies and we will tell the Supervisor if we make any changes. Sometimes we use estimates to value assets, for example, where assets are priced monthly, or where assets become illiquid (difficult to convert to cash) or are not regularly traded.

Specific transactions (for example, large transactions) may require us to adjust the unit price for that day so that the costs of those transactions are only paid by the Members involved in those transactions. We do not currently charge transaction costs.

Withdrawal payments

Withdrawals will be processed at the unit prices on the next Valuation Day following the day on which your withdrawal request is approved. Once a withdrawal request is approved, you will normally receive payment within four business days.

Suspension powers

NZ Funds can suspend net asset value calculations, withdrawals, or transfers to or from the Service or any Strategy (including switches) if we think allowing them is not practicable or would be prejudicial to the interests of any Members. We must tell the Supervisor if we do this, and the suspension period cannot be longer than 10 days unless the Supervisor agrees.

Borrowing

Borrowing is allowed under the Trust Deed. However, the Strategies do not currently borrow money for the purpose of investing. This does not include ongoing operational agreements with service providers such as overdraft facilities and creditor relationships or leverage created through the use of derivatives.

Terminating or changing a Strategy

NZ Funds may terminate, close or change the nature of any Strategy or Class, or combine any two or more Strategies or Classes, on terms and conditions as we think fit. We must tell the Supervisor before we do this.

Winding-up/insolvency

If the Service is wound up or becomes insolvent, the assets of the Strategies will be sold and the money will be used first to meet the claims of any creditors. After all creditors have been paid, your share of what remains will be paid to you.

Indemnity for tax liability

You are required to repay us and the Supervisor for any tax paid on your behalf in respect of your investment in the Service or on income from your investment in the Service, including any UK tax. This only applies if your investment is not sufficient to meet your tax liability.

Changes to Trust Deed

The Trust Deed can be changed by us and the Supervisor. Any changes must comply with the FMC Act.

9. More about fees & charges

Annual fund charges

Estimated annual fund charges are included in section 5 of the PDS and are made up of a management fee, estimated performance fees and external management fees, and estimates of other charges incurred by the Strategies.

In addition to annual fund charges, transaction costs of buying and selling assets (e.g. brokerage) are paid directly or indirectly by the Strategies and reflected in the unit price.

Management fees & rebates

Each Strategy is charged an annual management fee by NZ Funds for managing and administering the Strategies. The management fee is calculated daily and paid monthly.

NZ Funds may change the management fee, so long as we tell the Supervisor and Members one month before we change it. We may also charge a Member or group of Members (including any group of Members advised by a financial advice provider), a lower management fee, or we may rebate all or some of the management fee for a Member or a group of Members.

Current management fees

The current management fees are:

Strategy		Management fee* (p.a.)
Income Strategy		1.00%
Inflation Strategy		1.10%
Growth Strategy		1.14%
Income Strategy – British Pounds		1.00%
Growth Strategy – British Pounds		1.14%
Life Cycle**	At ages 0-54	1.13%
	At age 65	1.09%
	At age 75	1.08%

* As a percentage of the net asset value of each Strategy.

** We have selected three examples to provide information on Life Cycle in this document.

Management fee rebates

NZ Funds may rebate a portion of the management fee from our own funds based on the total amount you have invested in the Service and other managed funds offered by NZ Funds (your total investment). If your total investment is $1,000,000 or more, we will rebate 0.17% of the proportion of your investment in the Inflation Strategy; and 0.40% of the proportion of your investment in the Growth Strategy – British Pounds and the Growth Strategy.

Your entitlement to receive a fee rebate is based on your total investment at each calculation date. This means that contributions, withdrawals and market movements may influence whether or not you are entitled to a rebate. NZ Funds may also extend the rebate calculation to include your related NZ Funds investments.

The management fee rebate is calculated daily based on your investment balance and paid monthly by giving you extra units in the relevant Strategies. The rebate will generally be paid on the 25th of each month. If you fully withdraw from the Service before we pay any fee rebate, you will no longer be entitled to that rebate.

NZ Funds may change the rate and basis for calculating the management fee rebate, or remove the rebate, at any time. If we decrease the rebate rate or remove the rebate, we will give one month's notice to Members affected by the change.

Additional fee rebates

In addition to the management fee rebates described above, we may at our discretion and from our own funds, pay or rebate some or all fees and expenses described in this section, and we may, at our discretion, offer an investor or a group of investors a different fee rebate from that set out in this section.

For example, we may choose to offer an investor or a group of investors a management fee rebate that is different from that set out above, or we may choose to rebate to some investors a portion of the fees and other fund charges charged to the Strategies that are indirectly incurred by them.

NZ Funds may change the rate and basis of any additional fee rebate, or remove any additional rebate, at any time, provided that in no case will the removal of an additional rebate result in a member paying fees (excluding performance fees) in excess of those set out in section 5 of the PDS.

Performance fee

None of the Strategies are charged a performance fee directly by us. However, where specific performance targets are met, NZ Funds may charge a performance fee in certain wholesale trusts that the Strategies invest in. The wholesale trusts (where a performance fee may be charged), and the Strategies that currently invest in those wholesale trusts, are set out in the PDS.

The performance fee for each wholesale trust is calculated daily and reflected in its unit price. Performance fees are paid on or after 31 March each year, subject to a high-water mark as described in the PDS. The high-water mark cannot be reset lower.

The wholesale trusts use recognised market indices as their performance hurdle rates of return. Out-performance of the market indices, whether the market index return is positive or negative, will result in a performance fee being accrued even though the unit price may be below the last high-water mark.

The performance returns of each wholesale trust are calculated on a before tax basis and do not include imputation credits. When we calculate the performance of the hurdle rate, we include a notional wholesale management fee of 0.50% per annum.

The notional management fee has the effect of increasing the required level of return the wholesale trust must achieve before it is eligible for a performance fee.

The table below is an example of the Private Dividend Yield Trust performance fee. It is a simplified example of how the performance fee is calculated in different scenarios. It is for illustration only and is not an indication of an actual calculation made or a forecast investment return.

The annual fund charges in the PDS include the following estimated performance fees:

Strategy		Estimated performance fee*
Income Strategy		0.03%
Inflation Strategy		0.03%
Growth Strategy		0.03%
Income Strategy – British Pounds		0.03%
Growth Strategy – British Pounds		0.03%
Life Cycle **	At ages 0-54	0.03%
	At age 65	0.03%
	At age 75	0.03%

* As a percentage of the net asset value of each Strategy calculated per annum.

** We have selected three examples to illustrate Life Cycle fees.

These estimates are based on the following assumptions:

- that the wholesale trust will on average achieve returns above the market index (hurdle rate) over the long term; and
- that the percentage of each Strategy invested in the wholesale trusts that charge performance fees are based on current target allocations.

Example of Private Dividend Yield Trust performance fee

Financial year	Investment value at start of year	Investment value at end of year (before performance fee)	Investment return	Hurdle rate	Relative Performance %	Relative Performance $	Value of under-performance brought forward	Net out performance	Performance fee charged	High-water mark	High-water mark met	Performance fee paid	Performance fee accrued to pay in future years	Under performance carried forward
Y1	$10,000.00	$11,000.00	10.0%	8.0%	2.0%	$200.00	nil	$200.00	$30.00	$10,000.00	✓	$30.00	nil	nil
Y2	$10,970.00	$11,847.60	8.0%	10.0%	-2.0%	nil	nil	-$219.40	nil	$10,970.00	✓	nil	nil	-$219.40
Y3	$11,847.60	$10,662.84	-10.0%	-15.0%	5.0%	$592.38	-$219.40	$372.98	$55.95	$10,970.00	✗	nil	$55.95	nil
Y4	$10,606.89	$12,197.93	15.0%	15.0%	0.0%	nil	nil	nil	nil	$10,970.00	✓	$55.95	nil	nil

In this example, the performance fee of the Private Dividend Yield Trust is 15% of the amount by which its performance (after wholesale trust fees and before tax but not including imputation credits) exceeds the hurdle rate of return.

In year one, the Private Dividend Yield Trust outperforms the hurdle rate by 2% accruing a performance fee which is then paid at the end of the performance period and a new high-water mark set.

In year two, the Private Dividend Yield Trust underperforms the hurdle rate and consequently no performance fee is accrued. Any underperformance is carried forward and must be recovered before any future performance fee is accrued. This is illustrated in year three, when the Private Dividend Yield Trust returns more than the hurdle rate and the year two underperformance is recovered.

As the outperformance in year three exceeds the underperformance from year two, a performance fee is accrued in year three. However, no performance fee is paid at the end of year three as the Private Dividend Yield Trust is below the last high-water mark (set in year one).

The performance fee accrued in year three is not paid until the end of year four, when the Private Dividend Yield Trust exceeds the high-water mark. A new high-water mark is then set at the end of year four.

The estimates are not intended to indicate any expected returns or fees. Actual performance fees will vary from the estimates. Actual performance fees are available in the Quarterly Fund Update which you can get from our website at *www.nzfunds.co.nz*.

The performance fees where applicable received by NZ Funds for the previous five years for each of the Strategies are shown (as a percentage of the net asset value of each Strategy) in the table below. These were paid indirectly by the wholesale trust that each Strategy invests in.

All performance fees paid to NZ Funds by a wholesale trust are on arm's length terms and meet the requirements for related party transactions in the FMC Act.

Other fund charges

Other fund charges include estimates of what third parties charge for services provided to the Strategies and related wholesale trusts that the Strategies invest in. They include the Supervisor's fee, estimates of professional fees and expenses, and estimates of fees charged by external specialist investment managers (external managers).

The Supervisor charges a fee for providing supervisory and custody services to each Strategy. Supervisor fees are calculated daily and paid by each Strategy monthly. The Supervisor may, if we agree, change the Supervisor fee at any time.

The Strategies and wholesale trusts that the Strategies invest in may also incur professional fees (such as fees for legal, accounting and audit services) and other charges (such as charges for administration, valuation and custody services to the wholesale trusts).

The Trust Deed allows these professional fees and other charges incurred by the Strategies to be paid out of the assets of the relevant Strategy as expenses. Professional fees and other charges incurred by the wholesale trusts will be paid out of the assets of the relevant wholesale trust.

The Trust Deed also allows NZ Funds, the Supervisor and any party that may be appointed by NZ Funds or the Supervisor to be reimbursed for all expenses properly incurred while carrying out their duties in relation to the Strategies.

External managers may charge fees (including entry fees, exit fees, management and administration fees, and performance fees) and incur expenses.

An external manager will typically only charge a performance fee when its investment return outperforms a benchmark or a performance hurdle (which may be 0%).

An external manager may also charge a performance fee where they are appointed to manage a wholesale trust that outperforms its investment benchmark and the external manager fee is based on the wholesale trust's outperformance.

As the Strategies indirectly invest in external managers their returns will be affected by the fees and expenses charged by external managers.

Estimates of external management fees and expenses are based on fee information provided by the current external managers. Assumptions on the percentage of each Strategy that is invested in external managers are based on the Strategy's current target allocations.

The external managers and each Strategy's allocation to those managers will change from time to time. Actual fees will depend on the managers selected, their performance, and the allocation to those managers, which is likely to vary from these estimates.

Estimates of the other fund charges are included within 'annual fund charges' in the PDS.

Basis for estimated fund charges

The annual fund charges in the PDS include estimates of Supervisor fees, professional fees, other charges, expenses, external manager fees, and performance fees.

Estimates of external manager fees and performance fees are discussed previously. All other estimates are based on the assumption that the ongoing level of these charges will be similar to those charged in the most recent financial year.

Actual annual fund charges for each Strategy for the most recent year are available in the latest Quarterly Fund Update which you can get from our website at *www.nzfunds.co.nz*.

Securities lending revenue

The net proceeds from securities lending and other specific revenue generating activities will be shared equally between NZ Funds and the relevant Strategy.

Other charges

There is an administration fee of $29.76 a year payable if you are aged 18 or over. This fee is deducted from your account monthly.

Individual action fees

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

Financial advice provider fee

With your agreement, your financial advice provider may charge a fee for financial advisory services they provide (including transfer services). These fees, including how and when the fees are paid, should be agreed between you and your financial advice provider.

Year ended March	Income Strategy	Inflation Strategy	Growth Strategy	Income Strategy – British Pounds	Growth Strategy – British Pounds
2021	1.17%	3.96%	9.87%	1.37%	12.97%
2022	0.71%	nil	nil	0.49%	nil
2023	0.22%	nil	nil	0.30%	nil
2024	nil	0.08%	nil	nil	nil
2025	nil	nil	nil	nil	0.02%

Details of these fees must be set out in your financial advice provider's disclosure statement. These fees are payable by you to your financial advice provider, and may, if you agree, be deducted from your investment.

Where you have selected a financial adviser employed by NZ Funds, we may charge a fee for financial advisory services in the same way as set out above.

NZ Funds' Private Wealth financial advisers do not charge a transfer advice fee.

Onboarding & service payments

NZ Funds may pay a financial advice provider an onboarding and ongoing service payment in recognition of the effort and costs associated with providing services to you regarding your investment in the Service. These payments are made out of the revenue earned by NZ Funds for managing the Service and are not deducted directly from the Strategies.

Goods & Services Tax (GST)

All fee estimates do not include GST or other similar tax. This means that if any GST or other similar tax is payable, it will be in addition to the stated fee.

10. More about active management

NZ Funds takes an active investment management approach in managing the Strategies. This means that we make ongoing investment decisions, search for emerging opportunities, buy or sell as appropriate, and use sophisticated investment instruments and techniques in seeking to achieve the investment objectives of each Strategy.

Active management generally

NZ Funds active investment management approach means that we (and the specialist investment managers we work with) make buy and sell decisions every day, increase your investments in assets we believe have stronger upside, and reduce investments in assets that we believe have run their course.

NZ Funds also has the ability to invest using sophisticated investment instruments and techniques (used by other managers who manage money in similar ways to us). These instruments and techniques may not be generally accessible to individual investors.

We also use an active-quant approach in managing the Inflation Strategy. Active-quant means we select companies from the sectors that are the focus of the Inflation Strategy and then use a quantitative screen to determine their portfolio weight and liquidity.

Actual investment mix

As a result of our active investment management approach, the actual investment mix of a Strategy may vary significantly from the target investment mix shown in the table in Section 3 of the PDS.

This can be illustrated by the graphs on pages 12 and 13, which show the actual investment mix of each Strategy for the last five years (except for the Growth Strategy - British Pounds, which is shown since inception).

The actual investment mix in the graphs is taken from the Quarterly Fund Update for each Strategy, which are scaled to 100% to take into account the impact of derivatives.

Use of derivatives

Derivatives can be considered to be 'leveraged' investments, which means that a relatively small investment in derivatives can produce the same gain (or loss) as a much larger investment in the underlying asset itself.

The use of derivatives and the leverage their use creates may increase or decrease investment risk. NZ Funds uses derivatives in a selective manner and makes decisions on the amount of leverage that individual Strategies may use.

The use of leverage is managed through NZ Funds' active investment management approach and through the processes and policies surrounding our investment guidelines. The guidelines are not limits on the amount of leverage that may be used in each authorised asset class and the guidelines do not impose a limit on how we may invest.

NZ Funds expects to regularly use leverage (via derivatives) to change the exposure to an authorised asset class. The actual range of leverage used by the Strategies for the preceding five years is set out in the table below.

The use of derivatives can substantially alter the returns and risks of a Strategy and may result in higher or lower returns than a fund that does not use derivatives.

Investors should be aware that the leverage through derivatives in each Strategy changes frequently and those changes can be material.

In most cases, we use notional market exposure when calculating leverage. This means that, in the table below, when we own a derivative we show how much exposure to an authorised asset class the derivative contract gives the Strategy. However, some forms of economic exposure such as derivatives on bonds or currencies are included on a profit and loss basis.

Year ended 31 March	Income Strategy	Inflation Strategy	Growth Strategy	Income Strategy – British Pounds	Growth Strategy – British Pounds
2021	101% - 133%	101% - 203%	115% - 217%	101% - 134%	102% - 219%
2022	100% - 110%	103% - 200%	106% - 210%	100% - 110%	104% - 211%
2023	104% - 118%	100% - 132%	104% - 174%	104% - 120%	104% - 175%
2024	100% - 100%	100% - 100%	108% - 154%	100% - 100%	104% - 155%
2025	100% - 100%	100% - 100%	121% - 175%	100% - 100%	123% - 176%

Also, we do not normally net exposures when calculating the amount of leverage in the Strategies. This means that we do not distinguish between an active exposure that is designed to enhance the return of the Strategy and an exposure that is designed to hedge (or reduce the risk of) the Strategy. Instead, we normally show the total value of all exposures added together.

Foreign currency

NZ Funds actively manages foreign currency in each Strategy. Where a Strategy holds assets denominated in a foreign currency, we have the choice of whether to hedge back to the New Zealand dollar or retain a foreign currency exposure.

Irrespective of whether a Strategy holds investments in that currency, a Strategy can also take active foreign currency positions by investing in non-New Zealand dollar cash or foreign currency derivatives. The foreign currency exposure for each Strategy is set out in its Quarterly Fund Update.

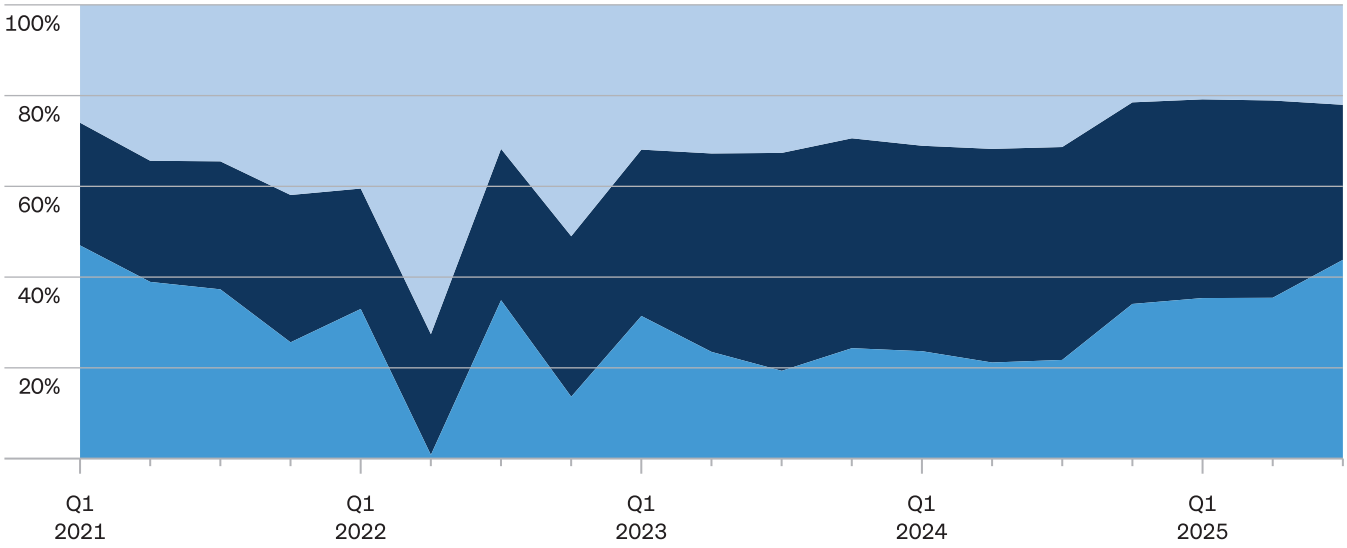
Investment guidelines

NZ Funds maintains internal investment guidelines which are used in the oversight of the Strategies. These guidelines are designed to ensure the Strategies invest in accordance with their investment objective and timeframe.

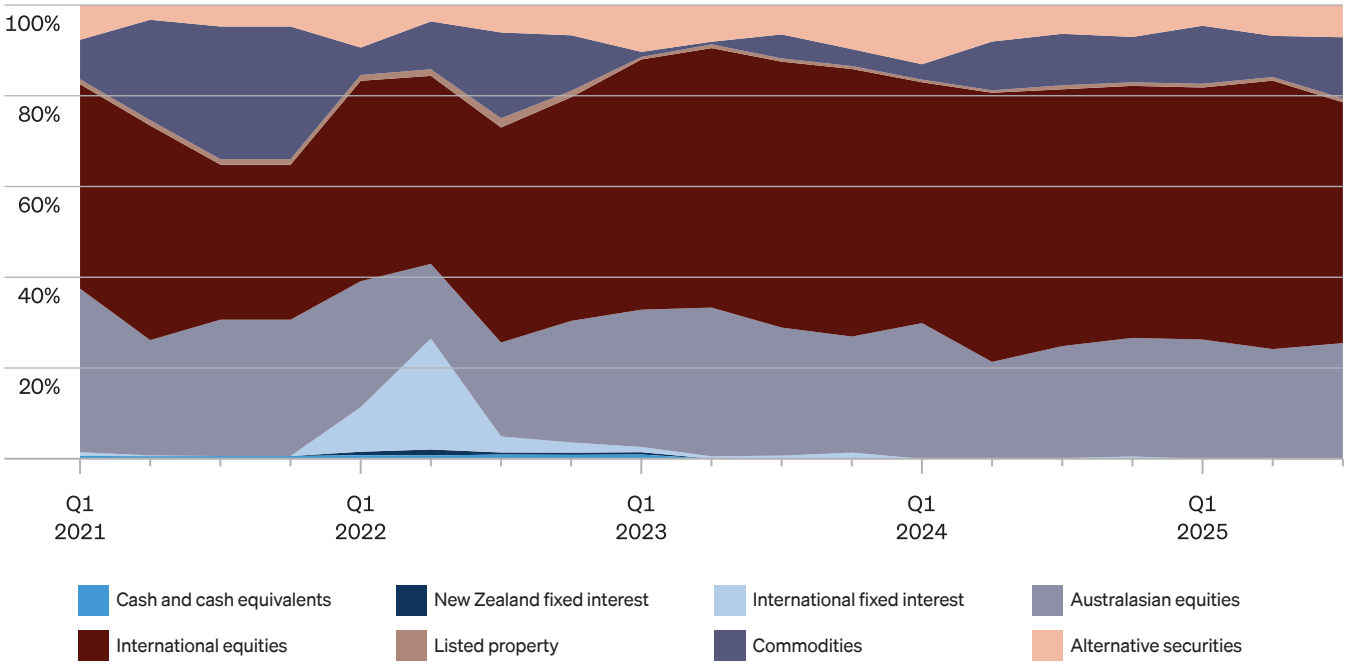
The guidelines set out ranges within which each Strategy will usually (but not always) invest in authorised asset classes (being the types of assets that a Strategy is permitted to invest in), and also addresses other investment matters such as the ability of a Strategy to use leverage and the level of liquidity that a Strategy will target.

Guidelines may be exceeded from time to time over the course of an economic cycle. Where this occurs, the Manager will respond promptly to correct that. It will either alter the investment, or in some cases seek a guideline change from the NZ Funds Investment Governance Committee and NZ Funds Board.

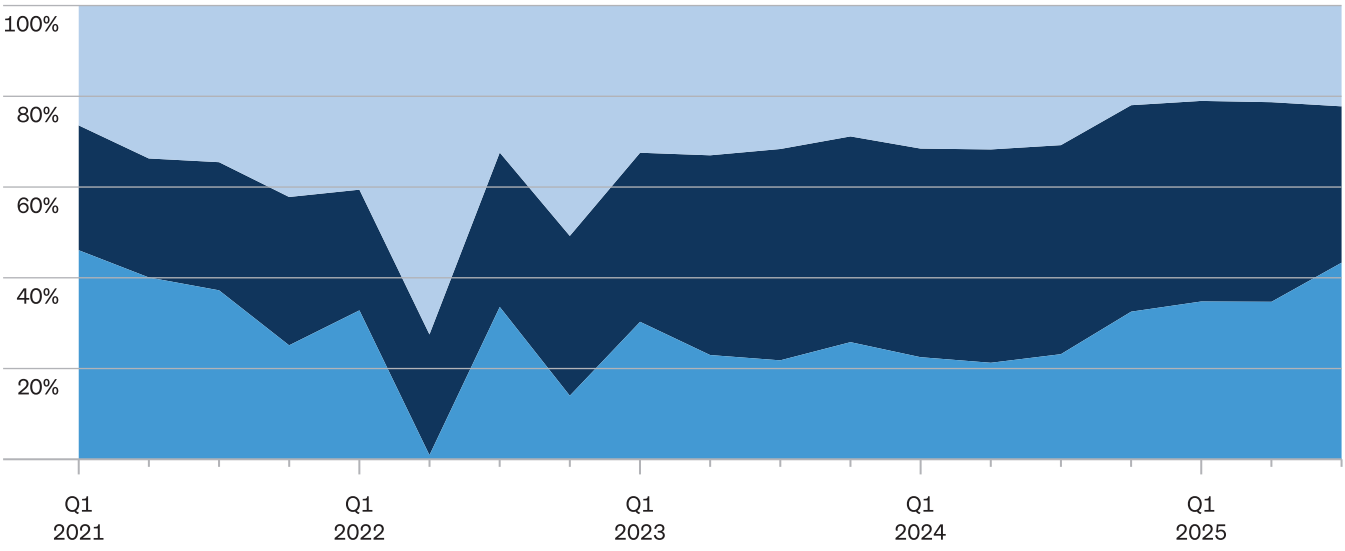
Income Strategy – British Pounds



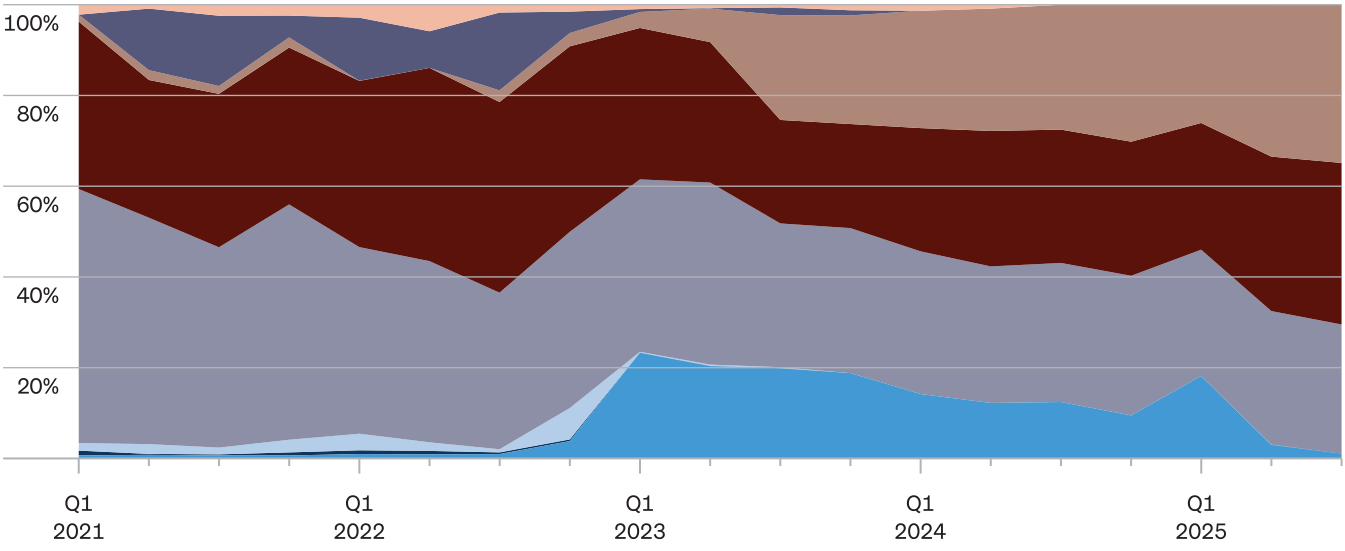
Growth Strategy – British Pounds



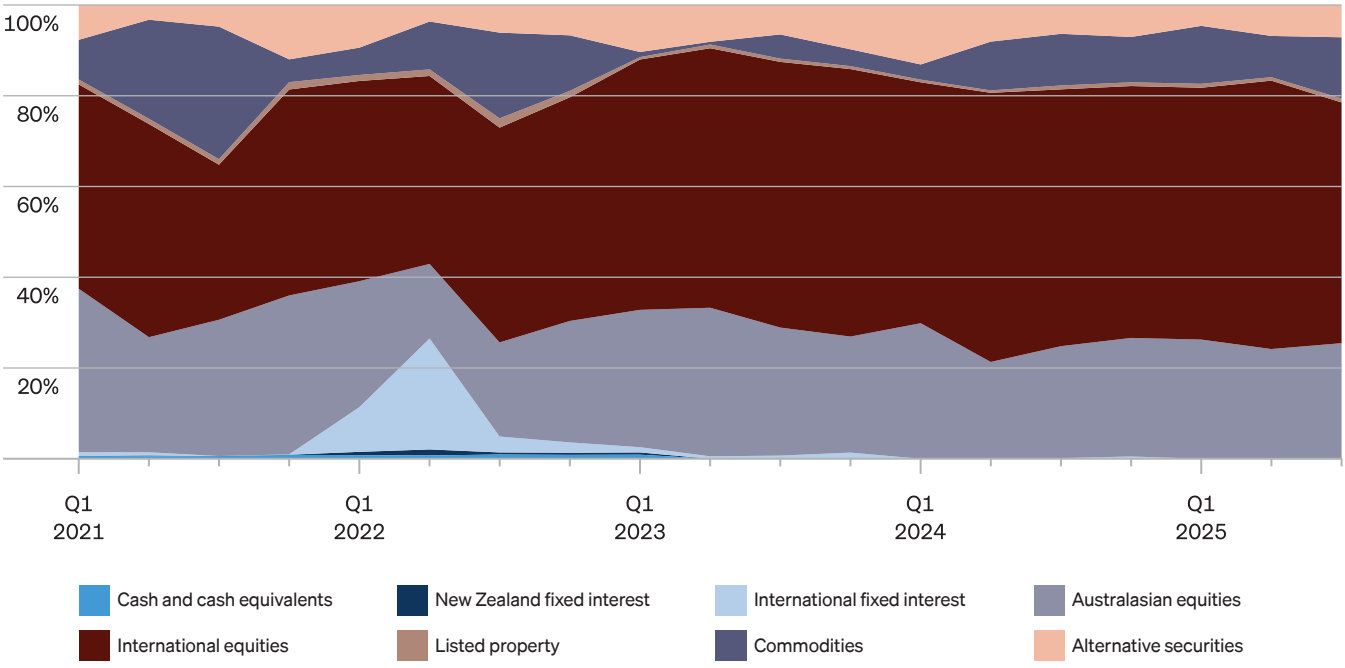
Income Strategy



Inflation Strategy



Growth Strategy



Compliance with the guidelines is monitored by NZ Funds' Compliance team. Where the Compliance team identify that a guideline has been exceeded, they must notify the Chief Investment Officer, Chief Executive Officer and Chief Operating Officer of the event and of the proposed course of action.

Each Strategy is also reviewed against the guidelines on a monthly basis at the Investment Guidelines Meeting and exceptions are noted. SIPO compliance for the preceding month is also confirmed at this meeting. The minutes of the Investment Guidelines Meeting are tabled at the Investment Governance Committee meeting.

Any member of the NZ Funds Investment, Legal, Compliance or Funds Management teams may propose a change to the guidelines, or the introduction of a new guideline. Amending a guideline (or introducing a new guideline) requires the approval of the NZ Funds Investment Governance Committee and ratification or approval by the NZ Funds Board. The Board may ratify or approve the amended guideline (with or without additional amendments) or reject it.

If the Board rejects or amends a guideline change, the Investment team must take any action required to ensure that the affected Strategy continues to comply with the guidelines. The detailed process for administering the guidelines is set out in our investment guidelines policy.

It is important to note that the exceeding of a guideline, or a deviation from the target investment mix for a Strategy, does not amount to a limit break under the SIPO. The purchase of an unauthorised asset class does however constitute a SIPO limit break. See the SIPO for more information.

11. Risks

Every investment has risks. The primary risks of investing in the Service include:

- not getting back some or all of your money;
- not getting the returns you expected;
- experiencing periods where your investment is worth less than it was previously; and
- not being able to withdraw from the Service when you want to.

The following information is in addition to section 4 of the PDS – "What are the risks of investing?". In the PDS, we discuss what we believe are the more significant risks of investing in the Service. However, there are other risks associated with the Service that could impact your investment which are discussed below. If any of these risks eventuate, the Service or any Strategy may be adversely affected and you could receive back less than you invested.

> You may lose some or all of your investment. No rate of return or repayment of your investment is guaranteed by NZ Funds, the Supervisor, or any other person.

General investment risks

Interest rate risk
This is the risk that a Strategy's returns may decline as a result of changes in interest rates.

Credit risk
This is the risk that a Strategy's returns may decline as a result of an issuer of a security failing to pay interest or principal when due.

Equity risk
This is the risk that a Strategy's returns may decline as a result of changes in the value of equity investments. An equity investment may be affected by many factors, including the performance of the relevant company, market expectations, and the economic performance of a sector or country.

Derivative risk
This is the risk that a Strategy's returns may decline as a result of the use of derivatives. Derivatives can be considered to be 'leveraged' investments, which means that a relatively small investment in derivatives can produce the same gain (or loss) as a much larger investment in the underlying asset itself. The use of derivatives and the leverage their use creates may adversely affect your investment.

Digital asset risk
This is the risk that a Strategy's returns may decline as a result of changes in the value of investments in digital assets. There are many digital asset specific risks that arise due to the new and virtual nature of digital assets (examples include risks relating to technology, security, new regulation and user/market acceptance), and if they materialise, these can result in the irrecoverable loss of some or all of the value of an investment in that digital asset.

Other risks

Counterparty risk
This is the risk that a party to a financial transaction, securities lending transaction or contract involving a Strategy fails to meet its obligations. If this occurs, your investment may be adversely affected.

Operational risk
This is the risk of failure of internal or external processes, people, policies, technology or systems (for example, a material error in the pricing process), or external events affecting our or the Service's operations. If this occurs, your investment may be adversely affected.

Fraud & cybersecurity risk
This is the risk of unexpected loss due to fraudulent activities and/or the risk of attack, damage or unauthorised access to the networks, computers, programs or data that we use. If this occurs, your investment and personal information may be adversely affected.

Service provider risk
This is the risk that a key service provider to the Service (for example, the Supervisor, the Manager, the trustee and custodian of the wholesale trusts, external managers, settlement & trade counterparties, investment brokers or banks) fail to perform their obligations. If this occurs, your investment may be adversely affected.

Wholesale trust investment risk
The Strategies can invest in wholesale trusts. Wholesale trust investment risk is the risk that an adverse event happens at the wholesale trust level or the wholesale trusts are wound up. If this occurs, your investment may be adversely affected.

Valuation risk
The Strategies' unit prices are based on market price information provided by various sources. Valuation risk is the risk that these sources fail to provide an accurate price, or any price whatsoever. If this occurs, your investment may be adversely affected.

Suspension of withdrawals risk
In certain circumstances, we can suspend or partially suspend withdrawals from the Service or any Strategy. If this happens, you may not be able to withdraw or switch your investment when you want to.

Tax risk
Income, dividends and interest, and gains on securities and investments that the Strategies invest in may be subject to taxes (including withholding taxes) imposed by tax authorities in New Zealand or other jurisdictions. The Strategies may not be able to claim a credit for these taxes.

The Service is currently a Portfolio Investment Entity (PIE). If the Service loses its PIE tax status, your after-tax returns may be reduced.

Regulatory risk
This is the risk that the laws and regulations applying to the Service, each Strategy and its investments, change in a way that adversely affects the Service, a Strategy or your investment. For example, a change to the Superannuation Scheme Rules or the UK Pension Rules may impact your investment.

Political risk
This is the risk that a Strategy's returns may decline as a result of political changes or instability in a country. This could arise from a change in government, legislative bodies, other foreign policy makers, or military actions. Political risk may also arise as a result of geopolitical events such as wars, terrorist acts and tensions between states.

Insolvency risk
This is the risk that the Service, a Strategy or a wholesale trust that a Strategy invests in becomes insolvent or is otherwise unable to meet its financial obligations. If this occurs, your investment may be adversely affected.

Pandemic risks
There is the risk that the Strategies' returns may fluctuate, or that the Service or the Strategies may be adversely affected, as a result of virus, disease or other widespread health risks such as the COVID-19 pandemic. The emergence of COVID-19 (or other widespread health risks) can have a significant impact on financial markets and the operation of the Service. If this occurs, your investment may be adversely affected.

The risks described in the PDS and this document are considered to be important risks, but do not cover all known risks of investing in the Service. There may also be other risks both known or currently unknown that may affect your investment in the Service.

12. Conflicts of interest

NZ Funds' conflicts of interest policy provides a framework for identifying, declaring and managing actual, potential or perceived conflicts of interest. The policy also covers gifts and hospitality and forms part of our broader conflicts of interest compliance and ethics frameworks.

The conflicts of interest policy is complemented by our:

- personal holdings policy, which contains restrictions on employees holding or trading in securities; and
- related party transactions policy, which provides a framework for identifying and managing related party transactions and ensuring compliance with the FMC Act.

Conflicts of interest that currently exist include:

- That the Strategies invest in the wholesale trusts which creates a conflict of interest as we charge a performance fee in certain wholesale trusts which certain of the Strategies invest. These fees affect the value of the wholesale trusts, and indirectly the returns of the Strategies, and could materially influence the investment decisions in respect of the Service if non-arm's length fees were paid.
- Our directors and employees and their associated persons may invest in the Strategies.

13. How your investment is taxed

If you have any questions about the tax position of your investment in the Service, we encourage you to talk to your tax adviser. We and the Supervisor do not take any responsibility for your tax as a result of investing in the Service.

Portfolio Investment Entities (PIE)

The Service is a PIE. Under the PIE rules, we will calculate the tax due on your investment in the Service each quarter based on your Prescribed Investor Rate (PIR) and pay this tax to Inland Revenue on your behalf.

If you are due a tax refund, we will use it to buy more units in the Service for you, as long as you are still invested in the Service when we receive the refund from Inland Revenue. If you are no longer invested in the Service, we will pay the refund to you.

Choosing your PIR

You need to choose your PIR and tell us what it is. If you do not tell us what your PIR is, we will set it at 28%. You also need to tell us your IRD number.

Your PIR is based on your taxable income and PIE income for each of the two previous tax years and is based on the year which has the lower combined income amount. You can use the table below to help you work out your PIR:

Taxable income		Taxable income + PIE income	PIR
$0 – $15,600	and	$0 – $53,500	10.5%
$0 – $15,600	and	$53,501 – $78,100	17.5%
$15,601 – $53,500	and	$0 – $78,100	17.5%
Over $53,501	and	Any amount	28.0%
Any amount	and	Over $78,100	28.0%

It is important that you choose the correct PIR. If you select a PIR that is too high, then as part of the annual tax return process:

- you will be able to get any overpaid tax refunded (either directly or by a reduced tax bill); or
- you may have to pay further tax if you have received refunds during the year based on your incorrect PIR.

If you select a PIR that is too low, then as part of the annual tax return process:

- you will have to pay more tax on your income from a Strategy at your correct PIR; or
- you may be entitled to a further tax refund based on your correct PIR.

If you do not tell us what your PIR is, we will set it at 28%. You can change your PIR at any time by contacting us or your financial advice provider.

Inland Revenue may also tell us to change your PIR if they think it is wrong. If they do, we must use the PIR that they tell us, unless you tell us to use a different rate.

Sometimes we can treat you as having a 0% PIR. We will do this where your tax liability is greater than the value of your interest in a Strategy. Where this happens, we will cancel all of your units and pay the proceeds to Inland Revenue. You will have to pay any tax liability not covered by this amount. We will also treat you as having a 0% PIR if you reduce your holding in, or fully withdraw from, a Strategy during the quarter, or in the first five days of the following quarter.

If the amount of tax on your income is more than the value of your investment, you may have to pay the tax directly to Inland Revenue. If we or the Supervisor pay this tax liability, you must reimburse us or the Supervisor for that amount.

UK pension transfers

If your investment in the Service includes amounts transferred from a UK pension scheme, a withdrawal or a transfer to another superannuation scheme, KiwiSaver scheme, or an equivalent overseas retirement scheme may have UK tax implications.

In particular, you may be liable for an unauthorised payments charge of 40% and an unauthorised payments surcharge of an additional 15% under UK law if you withdraw or transfer an amount that you have previously transferred from a UK pension scheme (either directly to the Service, or via a transfer to another QROPS):

- before 6 April 2017, and you have not been a UK tax non-resident for five consecutive full UK tax years (the UK tax year runs from 6 April to the next 5 April); or
- on or after 6 April 2017, and you have not been a UK tax non-resident for ten consecutive full UK tax years and the transfer amount has not been invested in a QROPS for five years.

Also, we are required to report to HMRC all withdrawals and transfers by you from the ROPS class unless that withdrawal or transfer occurred:

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

By joining the ROPS class, you authorise this reporting to occur and agree to provide us with any further information we may require to comply with our reporting obligations to HMRC.

The Service could lose QROPS status at any time (for example as a result of changes in UK law). Neither we nor the Supervisor represent that the Service will continue to maintain QROPS status. Losing QROPS status may adversely impact on your UK tax position with respect to amounts transferred to the Service, and may also adversely impact your ability to withdraw or transfer from the Service without incurring a UK tax liability.

UK Overseas Transfer Charge

If you transferred from a UK pension scheme to the Service (or to another QROPS) on or after 9 March 2017 and at the time of the transfer you were not a New Zealand tax resident, or within five full UK tax years following the transfer, you:

- cease to be a New Zealand tax resident; or
- transfer your investment in the ROPS class to a scheme in a country where you are not tax resident,

then you may be required to pay to HMRC a UK Overseas Transfer Charge equal to 25% of the UK pension amount transferred. This may also arise if you do not provide all required information before a transfer is processed.

NZ Funds may be required to notify HMRC, and to withdraw the amount of the UK Overseas Transfer Charge from your investment in the ROPS class and pay this to HMRC on your behalf. By joining the ROPS class, you agree that we may do this.

NZ Funds can redeem your units to pay any UK tax or other money which may be payable by you to HMRC or other third party. If you make a withdrawal from the Service or transfer your investment, we can deduct from the amount withdrawn or transferred an amount equal to your UK tax liability.

The above summary is based on our understanding of current UK law as at the date of this document. The UK tax charges discussed in this section depend on complex rules and may be subject to changes in UK law.

NZ Funds recommend you talk to your tax adviser before making any decision to withdraw or transfer your investment. Neither we nor the Supervisor take any responsibility for any tax consequences that may arise as a result of you transferring UK pension amounts to the Service, making subsequent withdrawals or transferring from the Service, or the Service losing its QROPS status.

Taxation of foreign superannuation transfers

The transfer of a pension to New Zealand may give rise to a New Zealand tax liability on the amount transferred under the foreign superannuation rules in the New Zealand Income Tax Act 2007 which determines the amount of taxable income from foreign superannuation transfers (other than transfers from Australian superannuation schemes) under one of two methods:

- the Schedule Method, which deems a specified percentage of the amount transferred to be taxable income; or
- the Formula Method, which allows a person to pay tax on the actual gain made on the foreign superannuation investment, if this information is available.

New Zealand tax relief

If you are a "transitional resident" for New Zealand tax purposes, you may be entitled to New Zealand tax relief when transferring your foreign superannuation investment to the Service if you do so during the four year exemption period available to transitional residents.

If you are migrating to New Zealand, and are not a transitional resident, you may also be able to obtain relief from New Zealand tax payable on the transfer of your foreign superannuation investment to the Service, if the transfer occurs within four years of you becoming a New Zealand tax resident.

Transfer Scheme Withholding Tax
If you transfer to the Service after 1 April 2026 and have a New Zealand tax liability arising from the transfer, you can elect to have it paid on your behalf by the Service out of the transfer proceeds.

To do this you need to:

- Advise us that you wish to elect for Transfer Scheme Withholding Tax (TSWT) to be withheld from the transfer proceeds. This election is irrevocable, so where you are transferring more than one UK pension, it will apply to all of these transfers;
- Provide us with the information necessary to enable us to pay the TSWT on your behalf, including the amount of taxable income arising from the pension transfer (called the assessable transfer amount).

The TSWT is 28% of the assessable transfer amount.

The New Zealand tax rules applying to the transfer of foreign superannuation schemes are complex. We recommend you talk to your tax adviser before making any decision to transfer your foreign superannuation investment to the Service. None of the parties involved in the Service will be responsible for any tax consequences arising from the transfer of your foreign superannuation investment to the Service.

14. Personal information

Privacy

The Privacy Act 2020 deals with how we collect, store and use personal information you give us for your investment in the Service.

This information may be used by us (including our related entities) and the Supervisor and shared with and used by your financial advice provider and by other service providers to the Service, for the purposes of arranging, managing and administering your investment, contacting you about your investment, and providing you with newsletters and information about other products and services.

NZ Funds may also use and share your personal information for the purposes of complying with any laws in New Zealand or another country, including using it to verify (whether by electronic means or otherwise) identity information you give us. We may also be required to provide your personal information to government agencies, including the FMA and Inland Revenue. You have the right to access and correct personal information held by us.

AML/CFT requirements

Under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009, we are required to verify your identity and address and, in some cases, the source of your funds and wealth.

With your consent, we can verify your identity and address electronically. You can provide your consent through the online application process or on the Application Form. If the electronic method fails or if you do not provide your consent, we will require physical identification documents certified or verified in the way discussed below.

If you complete the Application Form with a financial adviser, they may be able to verify your identity and address using certain identification documents and the process set out in the relevant AML forms which are available on our website.

If you are completing the Application Form without a financial adviser, your identification documents may be certified by a trusted referee or verified by an NZ Funds employee. More information on certification by trusted referees is set out in the AML forms on our website.

Common Reporting Standard (CRS)

If you are tax resident in a country other than New Zealand, we may be required to provide certain information about your investment to Inland Revenue to comply with our obligations under the CRS regime. Inland Revenue in turn may be required to pass this information to the revenue authority of the country in which you are tax resident.

Change of personal details

If you wish to change your personal details, please complete a Changes in Personal Details form. You can get this form from our website.

15. Material contracts

Trust Deed

The Trust Deed is an agreement between us and the Supervisor that sets out the rules for the management and administration of the Service and each Strategy. A copy of the Trust Deed is available on the scheme register at *disclose-register.companiesoffice.govt.nz*.

Management agreement

NZ Funds has a management agreement with the Supervisor that sets out the operational arrangements for the Service, including what information we have to report to the Supervisor, how the Service's bank accounts are operated, and what records we have to keep.

16. Indices used

More information about the market indices noted in the SIPO can be found on the web pages listed below:

Bloomberg Global Aggregate Corporate - 1 -3 Years Total Return Index Hedged USD	*www.bloomberg.com/quote/LGCPTRUH:IND*
Bloomberg Global Aggregate Corporate - 1 -3 Years Total Return Index Hedged USD unhedged in GBP	*www.bloomberg.com/quote/BAC1TRUU:IND*
FTSE EPRA NAREIT Developed Net Total Return Index Hedged in NZD	*www.ftserussell.com/products/indices/epra-nareit*
MSCI All Countries World Daily TR Net Local Currency	*www.msci.com/our-solutions/indexes/acwi*
MSCI All Countries World Daily TR Net Local Currency unhedged in GBP	*www.msci.com/our-solutions/indexes/acwi*
STOXX Global Broad Infrastructure Net Return Index USD	*www.stoxx.com/index/stxgbip/*
S&P World Utilities Weighted & Screened Index	*www.spglobal.com/spdji/en/indices/sustainability/sp-world-utilities-weighted-screened-index/#overview*
S&P/ASX 200 Total Return Index	*www.spglobal.com/spdji/en/indices/equity/sp-asx-200/#overview*
S&P/ASX 200 Total Return Index unhedged in GBP	*www.spglobal.com/spdji/en/indices/equity/sp-asx-200/#overview*
S&P/NZX 50 Portfolio Index Gross	*www.spglobal.com/spdji/en/indices/equity/sp-nzx-50-portfolio-index/#overview*
S&P/NZX 50 Portfolio Index Gross unhedged in GBP	*www.spglobal.com/spdji/en/indices/equity/sp-nzx-50-index/#overview*
S&P/NZX All Industrials Sector Gross	*www.spglobal.com/spdji/en/indices/equity/sp-nzx-all-industrials/#overview*
S&P/NZX All Utilities Sector Gross	*www.spglobal.com/spdji/en/indices/equity/sp-nzx-all-utilities/#overview*
S&P/NZX Bank Bills 90 Day Index Total Return	*www.spglobal.com/spdji/en/indices/fixed-income/sp-nzx-bank-bills-90-day-index/#overview*
S&P/NZX Investment Grade Corporate Bond Total Return Index	*www.spglobal.com/spdji/en/indices/fixed-income/sp-nzx-investment-grade-corporate-bond-index/#overview*
S&P/NZX Investment Grade Corporate Bond Total Return Index unhedged in GBP	*www.spglobal.com/spdji/en/indices/fixed-income/sp-nzx-investment-grade-bond-index/#overview*
S&P/NZX Real Estate Select Index Gross	*www.spglobal.com/spdji/en/indices/equity/sp-nzx-real-estate-select/#overview*



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