

InvestNow

KiwiSaver Scheme

Other Material Information

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INVESTNOW

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Introduction

This is an important document in relation to your investment in the InvestNow KiwiSaver Scheme (**Scheme**) and should be read together with the Product Disclosure Statements (**PDSs**), the Statement of Investment Policy and Objectives (**SIPO**) and other documents held on the register at https://disclose-register.companiesoffice.govt.nz/ (**Disclose Register**).

This Other Material Information Document (**Document**) has been prepared to meet the requirements of section 57(1)(b)(ii) of the Financial Markets Conduct Act 2013 (**FMCA**) and clause 52 of Schedule 4 of the Financial Markets Conduct Regulations 2014 (**FMC Regulations**). All legislation referred to in this Document can be viewed at www.legislation.govt.nz.

In this Document, 'you' or 'your' refers to a person that invests in the InvestNow KiwiSaver Scheme funds (the **Funds**). 'We', 'us', 'our' or 'FundRock' refers to FundRock NZ Limited as the manager of the Scheme. When we use the word 'current' or 'currently' in relation to any legislation, regulation, policy, information, activity or practice, we refer to these at the date of this Document. Any legislation, regulation, policy, information, activity or practice may be reviewed or changed without us notifying you.

Terms used in this Document have the same meaning as in the InvestNow KiwiSaver Scheme Trust Deed, unless they are otherwise defined in this Document.

Other information on the Funds

This Document relates to membership of the Scheme and investment in the Funds.

The Funds are constituted within a managed investment scheme called the InvestNow KiwiSaver Scheme, registered scheme number SCH12874. The Scheme is governed by the InvestNow KiwiSaver Trust Deed (**Trust Deed**) dated 26 May 2020, and as amended and restated on 10 September 2020, between Public Trust (**Supervisor**) and FundRock (the **Governing Document** for the Scheme). The Funds invest in accordance with the SIPO. You can get an electronic copy of the Governing Document and SIPO from the scheme register on the Disclose website at https://disclose-register.companiesoffice.govt.nz/.

Joining the InvestNow KiwiSaver Scheme

In most cases you will be able to join the Scheme if you are a New Zealand citizen or entitled to New Zealand permanent residency and are living or normally living in New Zealand. However, there are some circumstances when you can join the Scheme if you are not living or normally living in New Zealand. These exceptional circumstances apply if you are an employee of the State services (within the meaning of the Public Services Act 2020) and are:

- serving outside New Zealand;
- employed on New Zealand terms and conditions; and
- serving in a jurisdiction where offers of KiwiSaver scheme membership are lawful.

You can join KiwiSaver for the first time even if you are aged 65 or over.

You cannot opt out of KiwiSaver if you choose to join the Scheme or if you opt in through your employer, rather than being automatically enrolled.

Contributions

Minimum amounts

There is no minimum investment amount, although once you have reached your Qualifying Age[1] you may be required to close your InvestNow KiwiSaver Member account (**Member Account**) and end your membership if your account contains less than $1,000. The minimum ongoing voluntary contribution amount is $20.

In addition, provided we notify you, we may close your Member Account at any time if it has a zero balance.

Tax on contributions

Your contributions to the Scheme are made from your after tax pay so there is no additional tax payable on those contributions. The Government Contributions (**GVC**) are not taxable.

[1] Your Qualifying Age is the date you reach the age of eligibility for New Zealand Superannuation (currently age 65) or have been a member of a KiwiSaver scheme (and/or a member of a Complying Superannuation Fund) for at least five years if you joined prior to 1 July 2019. If you joined KiwiSaver at age 60 or over before 1 July 2019, you can opt out of this 5 year requirement.

Your employer is required to withhold Employer Superannuation Contribution Tax (ESCT) from all contributions they make on your behalf to your Member Account.

The rates of ESCT that are deducted from employer contributions can be worked out under 'What ESCT rate should I use for my employee?' at: www.ird.govt.nz/employing-staff/deductions-from-income/employer-superannuation-contribution-tax.

Government Contributions

GVCs are currently paid to eligible members by the Government as set out in the PDSs.

In most cases you need to be principally residing in New Zealand to qualify for the GVC, although overseas Government workers, charity workers, and some volunteers may also qualify. If this might apply to you, get in touch with us so that we can help you work out whether you qualify for a GVC.

The GVCs are for contributions made in each year 1 July to 30 June. GVCs will reduce proportionately for any part of the GVC year that you:

- were not a KiwiSaver member; or
- were under the age of 16; or
- ceased to principally reside in New Zealand; or
- were over your Qualifying Age.

Your GVC will be based on the number of days in each GVC year during which you qualified for it.

If you joined KiwiSaver on or after 1 July 2019, you can get the GVC up until you turn 65. If you joined KiwiSaver prior to 1 July 2019, you can get the GVC up until you turn 65, or have been a KiwiSaver member for 5 years, whichever is the later. If you joined KiwiSaver at age 60 or over before 1 July 2019 and opt out of the requirement for 5 years of membership and make a withdrawal, you'll no longer be eligible for the GVC.

No GVCs will be paid in respect of amounts transferred to the Scheme from an Australian complying superannuation scheme.

In addition, no GVCs will be paid for the relevant year if you have a taxable income over $180,000 in the corresponding tax year, which is defined as either:

- the tax year (current year) that ends during the relevant GVC year (1 July to 30 June) if you have filed your tax return for that tax year on or before the end of the relevant GVC year; or
- in any other case, the tax year preceding the current year.

If a tax return is not available for either the current or preceding year, we will receive a $0.00 GVC payment message. Where no tax return was originally available, and a tax return subsequently becomes available for the preceding tax year, the original GVC claim will be re-processed using the taxable income from that return.

If your taxable income is subsequently reassessed and moves you under or over the $180,000 income threshold, this may cause a GVC payment to be made, or a GVC clawback to be issued.

We'll apply on your behalf for any GVC that you're eligible for. However, you do need to tell us if your principal place of residence stops being New Zealand, or if you otherwise stop being eligible for the GVC due to any reasons that are unrelated to your taxable income.

Inland Revenue holding account

When you first become a KiwiSaver member, Inland Revenue will hold any contributions they receive for you until you've been a member of KiwiSaver for two months. Once you've been a KiwiSaver member for two months they will pass these contributions, plus interest, to us.

If you have any questions about the amount of your contributions held by Inland Revenue, or the total amount of your employer or employee contributions that they have processed, you can contact Inland Revenue directly.

Savings suspension

If you are employed, and are making regular contributions to KiwiSaver from your wage or salary, you can take a break from contributing to KiwiSaver by applying to Inland Revenue for a savings suspension after you have been a member of a KiwiSaver scheme for twelve months. Your savings suspension can be for a period of between three months and one year.

If you are suffering, or are likely to suffer, significant financial hardship and Inland Revenue has received at least one contribution from you, you can apply to Inland Revenue for an earlier savings suspension. If granted in these circumstances, your savings suspension will be for a maximum of three months (or a longer period, if Inland Revenue agrees).

Your employer can also suspend the contributions it makes for your benefit while you are on a savings suspension. You can apply for another savings suspension when one expires. You can also revoke or reinstate your savings suspension at any time by notifying your employer.

Temporary rate reduction

You can apply to Inland Revenue for a temporary rate reduction to set your employee contribution rate at 3%.

If granted, your temporary rate reduction will apply for a period between 92 days and 12 months. You can also apply for a further temporary rate reduction prior to an existing one expiring. There are no limits to the number of temporary rate reductions you can be granted. You can choose to revoke a temporary rate reduction at any time and instead make employee contributions at the default rate or a chosen higher rate.

If you are on a temporary rate reduction, your employer may also choose to set its employer contribution rate at 3%.

Withdrawals

Generally you cannot withdraw your savings until you have reached the KiwiSaver Qualifying Age. This is the later of:

- the age of eligibility for New Zealand Superannuation (currently 65); or
- if you joined a KiwiSaver scheme or a complying superannuation fund before 1 July 2019, five years after you joined that scheme. If you are subject to this 5-year lock in period you can elect to opt out at any time after reaching the age of eligibility for New Zealand Superannuation. However, if you choose to opt out, you will no longer be eligible for compulsory employer contributions or government contributions. Those joining after this date are not subject to the 5-year lock in period.

If you have transferred amounts to your Member Account from an Australian complying superannuation scheme (Australian Transferred Amounts), you may be able to withdraw these amounts from the age of 60.

There are some circumstances in which you may be able to make an early withdrawal as follows.

Buying your first home

You may make a one-off withdrawal from your Member Account to purchase your first home (except $1,000 and any Australian Transferred Amounts) if:

- the land or house you are purchasing is in New Zealand;
- it has been at least three years from the date Inland Revenue received your first contribution to a KiwiSaver scheme, or you have been a member of one or more KiwiSaver schemes or Complying Superannuation Funds for a combined total period of three years or more;
- the land or house is, or is intended to be, your principal place of residence; and
- you have never held an estate in land (there are some detailed rules regarding when a person holds an estate in land).

There are also some circumstances if you have previously owned a house or land you may still be able withdraw your KiwiSaver savings as a second chance withdrawal. You need to apply to Kainga Ora Homes and Communities (formerly Housing New Zealand) for a second chance withdrawal. You can find more information on the Kainga Ora website https://kaingaora.govt.nz/home-ownership/kiwisaver-first-home-withdrawal.

The purchase of an interest in a building on Māori land qualifies as a first home where:

- the building's intended principal use is occupation as a private residence; and
- the building is, or is intended to be, your principal place of residence.

To make a first home withdrawal, there is a process that must be followed and certain information must be provided. Any withdrawal request should be made at least ten business days before the funds are required. You are not able to make a first home withdrawal after your property has settled.

Your lawyer or conveyancing practitioner must provide a copy of the sale and purchase agreement, and give undertakings on your behalf. The undertakings and process will differ depending on whether the agreement is conditional or unconditional. Please contact us for a Home Purchase Withdrawal Application form for further information on the detailed requirements.

Your membership of the Scheme will continue after a first home withdrawal is paid from your Member Account.

Significant financial hardship

You may apply to make a significant financial hardship withdrawal.

Generally, you should make an application only if you are not able to meet your normal essential living expenses (but there are other specific criteria in the KiwiSaver Act 2006 (KiwiSaver Act)).

You'll need to complete a withdrawal request and a statutory declaration of your assets and liabilities, income and expenditure and provide evidence that you are suffering or are likely to suffer significant financial hardship as defined under the KiwiSaver Act, and that all reasonable alternative sources of funding have been explored and exhausted.

Your application is subject to approval by the Supervisor. The Supervisor can limit the withdrawal amount to a lesser amount than what is available in your Member Account (if it decides that a lesser amount is all that you need to alleviate your hardship). If you make a significant financial hardship withdrawal, it will exclude any Government kick start contribution of $1,000[2] and GVCs. It can include any amounts transferred to KiwiSaver from an Australian Complying Superannuation Scheme, but only to the extent that the New Zealand sourced contributions able to be withdrawn (which will be paid to you first) are insufficient.

Your membership of the Scheme will continue after your significant financial hardship withdrawal is paid.

Serious illness

You may be able to make a serious illness withdrawal if you have 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 or training, or any combination of those things, or poses a serious and imminent risk of death.

You will need to complete a withdrawal request (including a statutory declaration) and provide medical evidence that you are suffering from a serious illness as defined in the KiwiSaver Act to support your withdrawal request. Serious illness decisions are at the discretion of the Supervisor of the Scheme.

Permanent emigration (except Australia)

You can make a withdrawal of your KiwiSaver savings one year after you permanently emigrate from New Zealand.

Your account balance, excluding any GVCs and any Australian Transferred Amounts, will be paid to you as a lump sum. Any GVCs will be repaid to Inland Revenue and (unless you have any Australian Transferred Amounts) your Member Account will be closed.

You will need to complete a withdrawal request (including a statutory declaration) and provide evidence that confirms you have permanently emigrated.

Permanent emigration (Australia)

If you permanently emigrate to Australia, you are not able to withdraw your KiwiSaver savings unless you otherwise qualify for another type of withdrawal (for example, serious illness). You can transfer all of your KiwiSaver savings to an Australian complying superannuation scheme that is willing to accept the transfer. If your KiwiSaver savings are above the maximum amount set out in Australian legislation, you will not be able to transfer any of your KiwiSaver savings. Alternatively, your KiwiSaver savings can remain invested in the Scheme.

Life-shortening congenital conditions

You may be able to make an early withdrawal if you were born with a condition that is expected to reduce life expectancy below 65. The Supervisor will determine whether you're eligible for a life-shortening congenital conditions withdrawal. If you are eligible, you may choose the amount of your withdrawal, which can be up to the full value of your KiwiSaver account. If you make a withdrawal, you'll no longer be eligible to receive any Government contributions and your employer can stop their contributions. You will need to complete a withdrawal request (including a statutory declaration) and provide evidence (such as medical evidence) that you are suffering from a life-shortening congenital condition as defined in the KiwiSaver Act to support your withdrawal request.

Death

If you die while you are a member of the Scheme, all of your KiwiSaver savings will be payable, on request, to the executors or administrators of your estate.

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[2] You will have received the $1,000 kick-start contribution from the Government if you first joined KiwiSaver before 2pm, on 21 May 2015.

Alternatively, if your KiwiSaver savings are less than the prescribed amount (currently $15,000) and certain other conditions are met, we may pay your KiwiSaver savings direct to (for example) a surviving partner or caregiver.

Suspension of withdrawals

We may, with prior written approval from the Supervisor, suspend the payment of Benefits or the processing of Switches or transfers to another scheme, in relation to any Fund, if we reasonably determine it is not desirable or would be prejudicial to the interests of Members in that Fund to continue paying Benefits and processing Switches and transfers. Any such suspension will continue until cancelled by us.

If a suspension has not been cancelled by us within 14 days of making the decision to suspend, we will consult with the Supervisor and provide written notification to the Supervisor and all Members in the relevant Fund of the suspension. A suspension will expire 90 days after the notice to the relevant Members has been given unless the Supervisor approves the continuance of the suspension in which case a further notice will be provided to Members.

General

When a withdrawal is paid from your Member Account, the amount you receive will reflect the value of your Member Account at the time, less any fees, taxes, expenses and other authorised deductions from your account. The value of your Member Account may go up or down between the date on which you submit your withdrawal request, the date on which it is approved or received, and the date on which the withdrawal request is processed. We may pay out an initial amount that is lower than the total value of your Member Account, if for example an underlying fund into which one of the Funds invests into is suspended or has become illiquid. We will pay out the remaining value of the Member Account once available.

Contributions that qualified for a GVC when made to the Scheme will continue to qualify even if, before the GVC for the relevant year is paid, those amounts have been withdrawn.

You cannot withdraw your GVCs:

- before you (or your personal representative or other relevant person) give us a statutory declaration stating the periods for which you have had your principal place of residence in New Zealand; or
- if we have noticed that your claim for a GVC is wrong because you have not met the residence requirements for certain periods.

How to request a withdrawal

You can request a withdrawal by completing the relevant withdrawal form and sending it to us. Please contact us for a withdrawal form.

It may take some time to consider an early withdrawal request and we may come back to you to ask for further evidence to support your application.

Payment

You will normally receive payment of your withdrawal within ten business days of your application being approved.

Transfers

You can transfer your savings between KiwiSaver schemes at any time. You can do this even if you are:

- no longer living in New Zealand; or
- no longer a New Zealand citizen or entitled to live in New Zealand.

However, you can be a member of only one KiwiSaver scheme at a time, so you must transfer your entire balance to your new KiwiSaver scheme.

In certain situations set out in the KiwiSaver Act, you may be required to transfer from the InvestNow KiwiSaver Scheme to another KiwiSaver scheme in accordance with the default allocation principles prescribed in the KiwiSaver Act.

Additional KiwiSaver information

For additional information relating to how KiwiSaver operates, please see https://www.ird.govt.nz/kiwisaver and the KiwiSaver and retirement section on the Commission for Financial Capability's Sorted website: http://sorted.org.nz/must-reads/category/kiwisaver-and-retirement.

Other information on the parties involved

Manager

FundRock is a funds management company specialising in establishing and managing New Zealand-domiciled funds. With a deep understanding of New Zealand's investment management industry, FundRock works with both local and global investment managers to enable investors to access these specialist managers' investment expertise within funds and solutions that have been tailored for New Zealand's tax and legislative environment.

FundRock was granted a licence to act as the manager of a registered scheme (other than a restricted scheme) under the FMCA by the Financial Markets Authority (**FMA**) on 25 August 2015. The licence is subject to us maintaining the same or better standard of capability, governance and compliance as was the case when the FMA assessed our licence application. The licence is subject to the normal conditions imposed under the FMCA and the FMC Regulations, and the standard conditions imposed by the FMA.

The names and contact details for directors and information on the shareholders of FundRock are available at www.companiesoffice.govt.nz/companies. This information may change from time to time without notice to you.

We are responsible for:

- offering membership in the Scheme;
- issuing membership interests in the Scheme;
- managing Scheme property including the investments of each Fund; and
- administering the Scheme.

We may delegate the performance of all or any of our powers, authorities, functions, duties and discretions exercisable under the KiwiSaver Act, the FMCA, and the Trust Deed to our officers and employees, on notice to the Supervisor, or to any other person we nominate. In particular, we may appoint investment managers, administration managers, and other experts (which can be associated persons). We remain liable for the acts or omissions of those delegates.

We also manage the investments of the Scheme and each Fund and may, subject to compliance with the Scheme's SIPO, Trust Deed, KiwiSaver Scheme Rules and applicable law, give the Supervisor whatever directions are considered necessary in that regard.

For more information on our powers, duties, and responsibilities please see the Trust Deed for the Scheme, including the 'Supervision and management of the Scheme' and 'Manager's powers to invest' clauses.

Investment Manager

InvestNow Saving and Investment Service Limited (**InvestNow**) is the Investment Manager and distributor for the Scheme. Information on InvestNow can be found at www.investnow.co.nz/about.

InvestNow defines the Funds' investment mandates and selects appropriate investment managers for those mandates. In addition, InvestNow reviews the mandates and the investment managers' performance and provides promotion and distribution support to the Scheme.

Underlying Investment Managers

We contract with specialist investment managers (**Underlying Fund Managers**) identified by InvestNow as having the desired investment capability. Each Fund within the Scheme invests in underlying funds (**Underlying Funds**) as summarised in the table below.

InvestNow KiwiSaver Fund	Underlying Fund	Underlying Fund Manager
InvestNow Mercer All Country Global Shares Index Fund	Mercer All Country Global Shares Index Fund	Mercer (N.Z.)
InvestNow Mercer Responsible Balanced Fund	Mercer Responsible Balanced Fund	Mercer (N.Z.)
InvestNow Mercer Global Listed Real Estate Fund	Mercer Global Listed Real Estate Fund	Mercer (N.Z.) with investment management by Nomura

InvestNow KiwiSaver Fund	Underlying Fund	Underlying Fund Manager
InvestNow Mercer NZ Cash Fund	Mercer NZ Cash Fund	Mercer (N.Z.) with investment management by Amova Asset Management (NZ)
InvestNow Mercer NZ Fixed Interest Fund	Mercer NZ Fixed Interest Fund	Mercer (N.Z.) with investment management by Harbour Asset Management (NZ)
InvestNow Mercer Responsible Hedged Global Fixed Interest Index Fund	Mercer Responsible Hedged Global Fixed Interest Index Fund	Mercer (N.Z.) with investment management by UBS Asset Management (Australia)
InvestNow Mercer NZ Shares Passive Fund	Mercer NZ Shares Passive Fund	Mercer (N.Z.) with investment management by Smartshares
InvestNow Castle Point 5 Oceans Fund	Castle Point 5 Oceans Fund	Devon Funds Management
InvestNow Castle Point Trans-Tasman Fund	Castle Point Trans-Tasman Fund	Devon Funds Management
InvestNow Clarity Global Shares Fund	Clarity Global Shares Fund	Clarity Funds with investment management by MFS
InvestNow Fisher Funds Conservative Fund	Fisher Funds Conservative Fund	Fisher Funds Management
InvestNow Fisher Funds Growth Fund	Fisher Funds Growth Fund	Fisher Funds Management
InvestNow Generate Focused Growth Fund	Generate Focused Growth Managed Fund	Generate Investment Management
InvestNow Harbour Balanced Growth Fund	Harbour Balanced Growth Fund	Harbour Asset Management
InvestNow Harbour Australasian Equity Focus Fund	Harbour Australasian Equity Focus Fund	Harbour Asset Management
InvestNow Harbour NZ Core Fixed Interest Fund	Harbour NZ Core Fixed Interest Fund	Harbour Asset Management
InvestNow Hunter Global Fixed Interest Fund	Hunter Global Fixed Interest Fund	Harbour Asset Management with investment management by PIMCO
InvestNow Harbour T. Rowe Price Global Equity Fund	Harbour T. Rowe Price Global Equity Fund	Harbour Asset Management with investment management by T. Rowe Price
InvestNow Te Ahumairangi Global Equity Fund	Te Ahumairangi Global Equity Fund	FundRock with investment management

InvestNow KiwiSaver Fund	Underlying Fund	Underlying Fund Manager
		by Te Ahumairangi Investment Management
InvestNow Antipodes Global Value Fund	Antipodes Global Value Fund (PIE)	FundRock with investment management by Antipodes Partners
InvestNow Foundation Series Balanced Fund	Foundation Series Balanced Fund	FundRock with investment management by InvestNow
InvestNow Foundation Series Growth Fund	Foundation Series Growth Fund	FundRock with investment management by InvestNow
InvestNow Foundation Series High Growth Fund	Foundation Series High Growth Fund	FundRock with investment management by InvestNow
InvestNow Foundation Series US 500 Fund	Foundation Series US 500 Fund	FundRock with investment management by InvestNow
InvestNow Foundation Series Hedged US 500 Fund	Foundation Series Hedged US 500 Fund	FundRock with investment management by InvestNow
InvestNow Foundation Series Total World Fund	Foundation Series Total World Fund	FundRock with investment management by InvestNow
InvestNow Foundation Series Hedged Total World Fund	Foundation Series Hedged Total World Fund	FundRock with investment management by InvestNow
InvestNow Foundation Series Global ESG Fund	Foundation Series Global ESG Fund	FundRock with investment management by InvestNow
InvestNow Foundation Series US Dividend Equity Fund	Foundation Series US Dividend Equity Fund	FundRock with investment management by InvestNow
InvestNow Foundation Series Nasdaq-100 Fund	Foundation Series Nasdaq-100 Fund	FundRock with investment management by InvestNow
InvestNow Milford Active Growth Fund	Milford Active Growth Wholesale Fund No.2	Milford Asset Management
InvestNow Milford Aggressive Fund	Milford Aggressive Fund	Milford Asset Management
InvestNow Milford Balanced Fund	Milford Balanced Fund	Milford Asset Management
InvestNow Milford Conservative Fund	Milford Conservative Fund	Milford Asset Management
InvestNow Mint Australasian Equity Fund	Mint Australasian Equity Fund	Mint Asset Management

InvestNow KiwiSaver Fund	Underlying Fund	Underlying Fund Manager
InvestNow Mint Growth Fund	Mint Growth Fund	Mint Asset Management
InvestNow Mint Conservative Fund	Mint Conservative Fund	Mint Asset Management
InvestNow Pathfinder Ethical Growth Fund	Pathfinder Ethical Growth Fund	Pathfinder Asset Management
InvestNow Russell Investments Global Fixed Interest Fund	Russell Investments Global Fixed Interest Fund	FundRock with investment management by Russell Investments
InvestNow Russell Investments Global Shares Fund	Russell Investments Global Shares Fund	FundRock with investment management by Russell Investments
InvestNow Russell Investments Hedged Global Shares Fund	Russell Investments Hedged Global Shares Fund	FundRock with investment management by Russell Investments
InvestNow Russell Investments NZ Fixed Interest Fund	Russell Investments NZ Fixed Interest Fund	FundRock with investment management by Russell Investments
InvestNow Salt Enhanced Property Fund	Salt Enhanced Property Fund	Salt Funds Management
InvestNow Salt Capital Growth Fund	Salt Capital Growth Fund	Salt Funds Management
InvestNow Smart Growth Fund	SuperLife Growth Fund	Smartshares

Supervisor

The Supervisor of the Scheme is Public Trust. Public Trust is independent of us.

Public Trust is a statutory corporation and Crown entity established and constituted in New Zealand on 1 March 2002 under the Public Trust Act 2001.

The Supervisor is responsible for supervision of FundRock and the Scheme, including:

- acting on behalf of the Scheme's Members in relation to FundRock and any contravention of FundRock's issuer obligations;
- supervising the performance by FundRock of its functions and the financial position of FundRock and the Scheme; and
- holding the assets of a Fund or the Scheme, or ensuring that the assets are held in accordance with applicable legislative requirements.

Custodian

Public Trust has appointed Adminis NZ Limited (Adminis) as custodian of the Scheme's assets.

As required by the FMCA, the custodian is independent of us.

Registrar

FundRock has appointed MUFG Pension & Market Services (NZ) Limited (MUFG) as Registrar for the Scheme.

Investment Fund Administration Manager

FundRock has appointed Adminis to manage investment fund administration functions including Member accounting and managing the investor portal.

Other

Other key parties currently employed by FundRock are:

Party	Role
KPMG	Auditor
DLA Piper New Zealand	Legal adviser

Manager and Supervisor's indemnity

Both we and the Supervisor are entitled to be indemnified out of the Funds. The indemnity covers any personal liability (including Portfolio Investment Entity (PIE) tax) incurred by or on behalf of the Fund, or any action taken or omitted in connection with the affairs of the Fund (other than in respect of our or the Supervisor's negligence, wilful default or wilful breach of trust). It also covers the costs of any litigation or other proceedings in which such liability has been determined (including legal fees and disbursements). It is subject to the limits on permitted indemnities under the FMCA which only make the indemnity available in relation to the proper performance of the duties under the FMCA.

We and the Supervisor, in incurring any debts, liabilities or obligations or in taking or omitting any other action for or in connection with the affairs of the Fund, are each deemed to be acting for and on behalf of the Fund and not in our own respective capacities.

Neither the Supervisor nor we, (except as otherwise expressly provided in the Governing Document) are under any personal liability, nor may resort be had to our private property, for the satisfaction of any obligation of the Fund.

Material contracts

The following material contracts are in place in relation to the Scheme:

- On 26 May 2020 and as amended and restated on 10 September 2020, we and Public Trust entered into the Trust Deed for the Establishment of the InvestNow KiwiSaver Scheme. That deed appointed the Supervisor as supervisor, and the Manager as manager of the Scheme and any Funds established under that deed.
- On 18 December 2019, we and Adminis entered into an Administration Agreement under which FundRock delegated certain investment fund administrative functions in relation to certain funds to Adminis. On 11 August 2020 Adminis and FundRock updated the current agreements to include the InvestNow KiwiSaver Scheme.
- On 13 August 2020, we and MUFG entered into an Administration Agreement under which MUFG perform administration services to the Scheme, including those related to managing the Scheme Register.
- On 22 July 2020, and as subsequently amended from time to time, we entered into an Investment Management Agreement with InvestNow. Under the agreement, InvestNow is responsible for appointing Underlying Investment Managers to manage the investment of the assets of the Funds under normal market terms.
- On 21 December 2020, we entered into a Supervisor Reporting Agreement with the Supervisor that sets out the arrangements between us and the Supervisor in relation to certain operational matters. The Supervisor Reporting Agreement specifies the reporting and information to be provided by us to the Supervisor, the requirements for operating bank accounts and record-keeping. Nothing in the Supervisor Reporting Agreement limits or alters the powers of the Supervisor or our duties under the Governing Document and applicable law.
- On 22 July 2020, and as subsequently amended from time to time, we and InvestNow entered into a Fund Hosting Agreement formalising the framework within which FundRock is engaged by InvestNow to establish and manage the Scheme. Under this agreement FundRock is responsible for issuing, administering, and managing the Scheme, with InvestNow being appointed as the Investment Manager and distributor of the Scheme. The agreement covers broadly the investment management, administration and distribution of the Scheme and the Fund, branding, advertising and the preparation of offer documents. Disclosure of interests

A conflict of interest in relation to a fund means a financial or any other interest, a relationship, or any other association of ours, of the investment manager for the Scheme, or of a relevant person that would, or could reasonably be expected to, materially influence our investment decisions or the investment decisions of the investment manager (or both) in respect of a fund.

Below is a summary of conflicts of interest in relation to the Funds that currently exist or may arise in the future:

- The following Funds invest in Underlying Funds managed by FundRock:
    - InvestNow Antipodes Global Value Fund
    - InvestNow Foundation Series Balanced Fund

- InvestNow Foundation Series Growth Fund
- InvestNow Foundation Series High Growth Fund
- InvestNow Foundation Series US 500 Fund
- InvestNow Foundation Series Hedged US 500 Fund
- InvestNow Foundation Series Total World Fund
- InvestNow Foundation Series Hedged Total World Fund
- InvestNow Foundation Series Global ESG Fund
- InvestNow Foundation Series US Dividend Equity Fund
- InvestNow Foundation Series Nasdaq-100 Fund
- InvestNow Russell Investments NZ Fixed Interest Fund
- InvestNow Russell Investments Global Fixed Interest Fund
- InvestNow Russell Investments Global Shares Fund
- InvestNow Russell Investments Hedged Global Shares Fund
- InvestNow Te Ahumairangi Global Equity Fund

- FundRock acts as manager for a number of other funds, which it established and operates for third party investment managers, and which may be selected by InvestNow as Underlying Funds in the Scheme. FundRock receives fees for providing this service to these third party investment managers.
- FundRock and InvestNow are wholly owned subsidiaries of Implemented Investment Solutions Holdings Limited. FundRock provides investment management services for the Underlying Funds for the following funds:

  - InvestNow Foundation Series Balanced Fund
  - InvestNow Foundation Series Growth Fund
  - InvestNow Foundation Series High Growth Fund
  - InvestNow Foundation Series US 500 Fund
  - InvestNow Foundation Series Hedged US 500 Fund
  - InvestNow Foundation Series Total World Fund
  - InvestNow Foundation Series Hedged Total World Fund
  - InvestNow Foundation Series Global ESG Fund
  - InvestNow Foundation Series US Dividend Equity Fund
  - InvestNow Foundation Series Nasdaq-100 Fund

- InvestNow operates the InvestNow investment platform. Investors can use the platform to invest in a range of funds and term deposits. The managers and issuers of those investment products pay InvestNow a fee to have their products hosted on the platform. InvestNow could be influenced by those relationships to invest the Funds in those funds in preference to other funds.

Management of conflicts of interest

The FMCA imposes statutory controls on related party transactions and conflicts of interest:

- A related party transaction in respect of the Funds may only be done if the details are notified to the Supervisor and we: 1) certify the transaction (or series of transactions) is "permitted" on the basis that the transaction is on arm's length terms, or 2) we obtain the Supervisor's consent on the basis that it is in the best interests of investors, or contingent on special resolution approval by investors.
- As manager of the Scheme, we are subject to various statutory duties in the performance of our duties as manager, including the requirement to act honestly and in the best interests of members.
- Where we contract out our functions to other parties, such as the investment management of the Funds to InvestNow, we must ensure the persons to whom we contract those functions perform them to the same manner and are subject to the same duties and restrictions as if we were performing them directly. These include the statutory duties referred to above. We must also monitor the performance of those functions.
- InvestNow, as Investment Manager of the Funds, must comply with a professional standard of care i.e. in exercising any powers, or performing any duties as investment manager, they must exercise the care, diligence, and skill that a prudent person engaged in the profession of investment management would exercise in the same circumstances.

We have built these statutory controls into our internal compliance processes and procedures. We have a Conflicts of Interest Policy and a Related Party Transactions Policy and procedures (**Policies**) which extends the statutory duties imposed on us to our staff members.

The Policies define what a conflict of interest is and provides for reporting and disclosure of conflicts of interests to the Board, Manager and Directors.

Key Trust Deed powers to change Scheme terms

This section summarises powers under the Trust Deed. For more information, please refer to the relevant Trust Deed sections. A copy of the Trust Deed is available on the Disclose Register. If there is any conflict between information in this Other Material Information document and the terms of the Trust Deed then the terms of the Trust Deed prevail.

Variation to fees

The Underlying Fund fees, buy/sell spreads, swing price adjustments and individual action fees are set by the Underlying Fund Managers and not by us. This means they can change at any time and without prior notice to you.

Under the Trust Deed, we can add new fees in future (such as administration, management, membership, transaction or other fees) and change those from time to time. If we add new fees or increase the new fees added, we will give 30 days' prior written notice to the Supervisor and affected Members.

Fees are subject to the KiwiSaver Act requirement not to be unreasonable.

Trust Deed amendments

The Trust Deed may at any time be amended by a deed executed by the Manager and the Supervisor, subject to the provisions of the KiwiSaver Act and the FMCA. Under the FMCA, a KiwiSaver scheme's trust deed can be amended:

- with the consent of the Supervisor or, if there is no supervisor, the FMA, provided that the Supervisor or the FMA must not consent to an amendment to, or a replacement of, the trust deed unless:
    - the amendment or replacement is approved by, or contingent on approval by, a special resolution of the investors or each class of investors that is or may be adversely affected by the amendment or replacement; or
    - the Supervisor or the FMA is satisfied that the amendment or replacement does not have a material adverse effect on the investors; and
    - in the case of the Supervisor, the Supervisor certifies to that effect and certifies, or obtains a certificate from a lawyer, that the governing document, as amended or replaced, will comply with sections 135 to 137 of the FMCA on the basis set out in the certificate;
- under sections 140 or 187(3) of the FMCA or sections 22(7) or 37(6) of the Financial Markets Supervisors Act 2011 (which allow for changes with the FMA or High Court's consent); or
- under any other power to amend or replace the trust deed under an enactment.

The amended deed must also continue to comply with certain sections of the Public Services Act 2020.

Change of Manager or Supervisor

The Trust Deed governs how we and the Supervisor can be appointed and removed.

Change of Manager

We will cease to hold the office of Manager of the Scheme if:

- we are removed by the written direction of the Supervisor after the Supervisor certifies that it is in the best interests of Members that we are removed;
- we are removed by a Special Resolution of Members;
- we are substituted by the High Court under section 209 of the FMCA; or
- subject to applicable law, we retire by notice in writing to the Supervisor. We need to give 120 days' notice of our intention to retire or such other notice period as the Supervisor may agree.

The Supervisor or the FMA may appoint a temporary replacement manager in accordance with the FMCA.

The manager of the Scheme at any time must be qualified to hold that position under the FMCA (which includes holding a managed investment scheme manager licence that covers the Scheme).

Change of Supervisor

The Supervisor will cease to hold the office of supervisor of the Scheme if it is removed by the FMA under the FMCA, or removed by us or the FMA under part 2 of the Financial Markets Supervisors Act 2011.

The Supervisor will also cease to hold office if:

- we remove the Supervisor with the FMA's prior consent. We must give the Supervisor at least 60 Business Days' written notice; or
- the Supervisor is removed by a Special Resolution of Members; or
- subject to applicable law, the Supervisor retires by giving us at least 60 Business Days' written notice,

provided that:

- all functions and duties of the position have been performed;
- another licensed supervisor has been appointed, and accepted the appointment, in its place; or the High Court consents.

We have the power to appoint a replacement supervisor if the Supervisor is removed from office or retires.

Any supervisor of the Scheme must be qualified to hold that position under the FMCA (which includes holding a licence under the Financial Markets Supervisors Act 2011 which covers the Scheme).

Changes to Funds or SIPO

We can establish Funds within the Scheme for members to invest in, and can set rules regulating conditions for choosing Funds (such as the maximum number of funds an investor can choose or the minimum amounts that need to be invested in a fund). The terms and conditions of each Fund include a written SIPO for the Scheme, which sets out how we invest each Fund's assets.

The names of the Funds established within the Scheme as at the date of this document are set out in the PDSs. Further details of each can be found in the SIPO and most recent quarterly fund updates. A copy of the SIPO for the Scheme and those fund updates are available at www.investnow.co.nz/kiwisaver-disclosure-material.

We can change the SIPO after giving written notice to the Supervisor. We can also close, wind up, or alter any Fund on any terms and conditions we think fit, subject to providing prior written notice to the Supervisor in accordance with the Trust Deed.

Wind up or alteration of a Fund

We may close, wind up or alter (including alter the name of) any Fund as and when and on such terms and conditions as it determines subject to providing 10 Business Days prior written notice to the Supervisor containing an explanation for doing so. On receiving such notice the Supervisor may require the Manager to consult with them on the proposed closure, wind up or alteration.

If a Fund is wound up, the Manager must notify each Member holding an interest in that Fund within 10 Business Days of giving notice to the Supervisor, specifying the Fund to which the Member will be deemed to have elected to transfer the relevant amount if no choice of replacement Fund is exercised within the period prescribed in the notice.

Wind up of the Scheme

The Manager may wind up the Scheme by resolution in writing and must wind up the Scheme if it is required to be wound up under the FMCA, the Scheme's Trust Deed, by the Courts or by operation of law. If the Manager resolves in writing that the Scheme is to be wound up then the Manager must, as soon as practicable after passing that resolution, provide a copy of the resolution to the Supervisor, and the wind up will take effect on the date specified for that purpose in the resolution.

Swing pricing

Fund investors can suffer dilution in their investment value due to transaction costs attributable to other investors buying or selling fund interests. This reduction in value is due to costs that may be incurred by purchasing and selling assets.

InvestNow Milford Conservative Fund, InvestNow Milford Balanced Fund, InvestNow Milford Active Growth Fund and InvestNow Milford Aggressive Fund

To mitigate this effect and to protect investor interests generally, the Underlying Funds used by the InvestNow Milford Conservative Fund, the InvestNow Milford Balanced Fund, the InvestNow Milford Active Growth and the InvestNow Milford Aggressive Fund ('Underlying Milford Funds') have a swing pricing mechanism.

On each valuation day the Underlying Milford Funds apply a swing factor adjustment to the price for investor applications and withdrawals. Subject to a threshold being met, the price is adjusted up or down based on the direction of the net investor flows. If net flows are positive, the price will swing up and if net flows are negative, the price will swing down. The same price applies to all transacting investors whether they are redeeming or subscribing. The swing factor adjustment is not a fee. It is retained in the Underlying Milford Funds to offset against the estimated transaction costs that arise from investors' applications and withdrawals.

The swing factor to be applied to the price is set individually for each Underlying Milford Fund. The amount of the adjustment may vary by fund and is reviewed by Milford periodically to reflect current market trading costs. Swing factor adjustments may change, particularly in times of heightened market volatility. Please note that the adjustment may not entirely cover transaction costs in all circumstances.

Note that the swing factors can vary at any time and a threshold value needs to be exceeded on each day's positive or negative fund flows for the swing factor to apply. The indicative swing factor adjustments for the InvestNow Milford Conservative Fund, InvestNow Milford Balanced Fund, and InvestNow Milford Active Growth Fund are detailed in the InvestNow KiwiSaver Scheme Diversified Funds #1 PDS, while the indicative swing factor adjustments for the InvestNow Milford Aggressive Fund is detailed in the InvestNow KiwiSaver Scheme Diversified Funds #4 PDS.

For each Underlying Milford Fund's current swing factor adjustment please see www.investnow.co.nz/kiwisaver-fees-and-charges.

InvestNow Clarity Global Shares Fund

To mitigate this effect and to protect investor interests generally, the Underlying Fund used by the InvestNow Clarity Global Shares Fund (**Underlying Clarity Fund**) has a swing pricing mechanism.

Typically, the Underlying Clarity Fund does not apply a spread to its unit price. However, a spread may be applied to particularly large applications or redemptions, or during periods of heightened market volatility. This is done to protect non-transacting investors from the transaction costs related to buying or selling underlying shares. The method used is for the unit price to 'swing' by an amount (the swing factor adjustment) subject to a certain transaction size threshold being met. Net applications (buying) above the threshold for the Underlying Clarity Fund will trigger the price to swing up for that fund. Conversely, net redemption (selling) requests above the threshold will trigger the price swing down. The thresholds are typically set such that this swing factor adjustment is only triggered by substantial applications or redemptions that will require the Underlying Clarity Fund to buy or sell underlying securities. The manager of the Underlying Clarity Fund reserves the right to change transaction size thresholds without notice if they believe this is warranted by market conditions. The swing factor adjustment reflects estimated transaction costs and is not a fee, nor is it paid to us or the manager of the Underlying Clarity Fund. It covers transaction costs like brokerage that are incurred when it buys or sells underlying securities. Any surplus between the swing factor applied and transaction costs incurred is retained in the Underlying Clarity Fund and reflected in your investment returns.

Taxation

This section briefly summarises the taxation regime as it currently applies to the Scheme. It is intended as a general guide only. There may be changes to the taxation legislation and tax rates in the future which may impact each Member differently. Members should always seek independent professional taxation advice for their individual circumstances.

Portfolio Investment Entity

The Scheme has elected to be a Portfolio Investment Entity (**PIE**).

As a Multi-Rate PIE, the Scheme will allocate taxable income to Members and pay tax on behalf of Members at their prescribed investor rate (**PIR**). The Scheme will undertake any necessary adjustments to a Member's interests in the Scheme to reflect that the Scheme pays tax at varying rates on behalf of Members.

Capital gains derived by PIEs in relation to New Zealand and most listed Australian companies are not subject to tax. Investments in certain offshore equities are taxed under the Fair Dividend Rate method, with a deemed annual return of 5% of the market value, prorated over the days that the particular equity is held during the year.

You can find out more about PIE Funds and how they are taxed on the Inland Revenue website (www.ird.govt.nz). Search for 'PIE for Investors'.

Tax on contributions to the Scheme

Your regular contributions to the Scheme are calculated as a percentage of your before-tax salary and wages and are paid from your after-tax income through your employer payroll system.

Employer contributions to the Scheme are also calculated as a percentage of before-tax salary and wages. ESCT is deducted from all employer contributions before they are paid through to the Scheme at the following rates:

ESCT rate threshold amount*	Tax Rate
$0 – $18,720	10.5%
$18,721 – $64,200	17.5%
$64,201 – $93,720	30%
$93,721 – $216,000	33%
$216,001 upwards	39%

* The ESCT rate threshold amount comprises the total of your taxable earnings and the before-tax employer superannuation contributions (comprising KiwiSaver scheme and any registered superannuation scheme contributions) made for your benefit in the previous income year (that is, the 12 months to the last 31 March). ESCT rates and thresholds may change in the future. If your current employer did not employ you for all of the previous income year, the above rates will be based on estimates of your expected taxable earnings and employer superannuation contributions for the current income year.

Withholding tax

Funds within the Scheme, or the Underlying Funds into which they invest, may invest in offshore managed investment schemes (e.g. Australian unit trusts). The offshore managed investment schemes may have foreign withholding tax deducted from income that they receive. However, withholding tax on income received by the offshore managed investment schemes is not recognised under New Zealand tax law and therefore cannot be utilised against any PIE tax liability related to investments in the Funds.

General

Members must advise FundRock of their PIR and IRD number when applying for membership of the Scheme and if their PIR changes at any time. If a Member does not provide their PIR to FundRock they will automatically be taxed at the maximum default rate of 28%. If a Member provides a PIR lower than the correct PIR, they may need to pay any tax shortfall, plus interest, and penalties. If the default rate or the PIR advised by the Member is higher than the correct PIR, then any additional tax paid by the Scheme on the Member's behalf may reduce their income tax liability for that income year and may give rise to a tax refund.

The Commissioner of Inland Revenue can require FundRock to disregard a PIR notified by a Member if the Commissioner considers the rate to be incorrect. The rate specified by the Commissioner would then apply to that Member's attributed income.

Taxable income is attributed annually to 31 March, or at any time a Member withdraws all or part of their investment from the Scheme.

If there is a tax loss or there are excess tax credits allocated to a Member for a period, these will generally be available to Members in the form of a rebate. The Scheme will either re-invest this rebate in the Scheme on a Member's behalf in respect of annual attributions as at 31 March, include it in transfer proceeds to another KiwiSaver provider, or include it in the net proceeds payable to that Member or applied on their behalf as a result of a full withdrawal.

We do not deduct any ongoing advice and administration fee before calculating your PIE tax. Hence you should seek tax advice as to whether you can receive a tax deduction by including the fee in your tax return.

Risks

This section sets out a summary of the risks that we believe to be the most important, but there may be other risks that are relevant to your investment in the Scheme. You should seek advice from a financial adviser before investing in the Scheme.

Risks described in the Product Disclosure Statement

We consider that the risks set out below could be material to your investment. These risks are summarised in the PDSs for the Scheme.

- Market and security specific risk: A key risk for shares is that prices fluctuate. Price fluctuations are generally attributable to a combination of:
  - market risk and,
  - security specific risk.

  Factors that underpin market risk include expectations for economic growth, investor sentiment, interest rates and inflation. Market factors impact on all shares.

  Security specific risk refers to factors that are particular to each stock or security. Examples of security specific risk include the level of company debt and the demand for a company's particular products or services. Additionally, investor sentiment is one of the factors that will influence security specific risk.
- Emerging market risk: Investments in emerging markets include risks additional to those normally associated with an investment in securities in more developed markets. These risks could cause the returns of a fund with emerging markets exposure to be more volatile than a similar fund with no emerging markets exposure.
- Individual financial product risk: The risk that changes in the financial condition or credit rating of an issuer of a financial product causes the value of a financial product held by a fund to decline.
- Manager risk: Where a fund invests in an underlying fund that has appointed an underlying investment manager or managers, there is a risk that the manager or managers selected underperform, resulting in lower returns than the relevant objective.
- Liquidity risk: The risk that an investment is difficult to buy or sell and a fund suffers a loss as a result. Some underlying funds may have limited exposure to private or unlisted assets. These investments are typically less liquid than listed securities and may be difficult to value or readily sell without a substantial discount to their assessed market value, particularly during periods of market volatility.
- Currency risk: The risk that changes in exchange rates cause the value of an international investment to reduce.
- Credit risk: The risk that issuers of fixed interest or cash investments do not pay interest and/or capital repayments when these are due.
- Interest rate risk: The risk that interest rates rise and the value of investments (in particular, fixed interest and cash investments) reduce.

Other risks

You should also be aware of the risks set out below which are not described in either the PDSs for the Scheme, or in the fund updates.

Operational risk

Operational risk is the risk that operational errors, including business interruptions arising through key personnel changes, human error, technology or infrastructure failure, and other external events, fraud or misconduct, may adversely impact on the operation and performance of the Scheme or a fund within the Scheme. We mitigate this risk through internal policies, procedures and controls, including a compliance programme. We also outsource some aspects of our operations to third-party providers and maintain insurance, subject to normal commercial insurance excesses.

Concentration risk

Concentration risk is the risk that a fund's investments are concentrated in a particular country, market, sector, asset class, or asset which may result in the fund being impacted by adverse events affecting a specific country, market, sector or asset class, or asset.

Third party risk

The Scheme relies on a number of outsource providers to provide services. The failure of a service provider to deliver such services (because of business interruption, external factors or otherwise) may adversely affect the operation and performance of the Scheme. We mitigate this risk through an outsource provider policy which requires us to conduct due diligence in relation to the selection of outsource providers and to monitor their performance on an on-going basis.

Regulatory and legal risk

Regulatory risk is the risk that the Scheme or its investments may be adversely affected by future changes in applicable laws, an incorrect interpretation of laws or regulations, or by decisions taken by regulatory enforcement agencies. Legal risk is the risk that we do not correctly document or comply with our legal obligations.

Underlying funds risk

Where our Funds invest in funds managed by other managers there is a risk that the underlying fund does not perform as we expect and therefore a fund is not able to fulfil its investment objectives. We do not have control or direct oversight over the functions or performance of any external underlying fund manager through which the Scheme invests. The manager of an underlying fund has no direct legal obligation to you.

Tax risk

There is a risk that tax laws that apply to your interest in the Scheme, or the application, or interpretation of those laws could have an adverse effect on your returns or the value of your interest in the Scheme.

In particular, there is a PIE tax status risk, which is the risk that the Scheme may lose its PIE status, which would likely affect the after-tax returns that you receive. We mitigate this risk by implementing processes that are designed to ensure that the Scheme complies with the PIE requirements. Please note that we have broad powers to take actions to ensure the funds remain eligible to be multi-rate PIEs. This includes, for example, the ability to refuse investment or to compulsorily withdraw all or part of your interest where continued investment may prejudice a fund's multi-rate PIE eligibility.

Non-segregation risk

The Funds within the Scheme are not segregated. Although all liabilities incurred in relation to a fund must first be met from that fund's assets, in the unlikely event that those assets are insufficient to meet that fund's liabilities, the assets of any other fund within the Scheme may be called on to meet those liabilities.

Passive management risk

A number of the Funds are passively managed, meaning the investment manager buys and sells financial products to track the performance of a designated market index. Among the consequences of this will be that the fund will not sell a security because the issuer is in financial difficulty or negatively impacting the index return, unless that security is removed from the index being tracked by the fund. There is a risk that this could result in lower returns than would be the case if the investment manager were able to add and remove securities at will.

Tracking difference risk

A number of the Funds are designed to track the price performance of specific market indices. However, a fund will not always be able to exactly match the performance of the index. This could be for a variety of reasons, including the liquidity of the securities held by the fund, timing issues arising in the pricing of international holdings or associated foreign exchange hedging contracts, or operational error. There is a risk that this could result in an investor's returns being lower than the return on the index for a given period.

Responsible Investment risk

Certain Funds incorporate non-financial sustainability considerations into their investment process. The fulfilment of any commitments related to responsible investing incorporated into the investment process for the Funds is dependent on the provision of timely and accurate information by issuers, data providers, and the managers of the Underlying Funds. Accordingly, there is a risk that the Funds' do not achieve their responsible investing commitments. The application of responsible investing standards is subject to limitations; please refer to the PDS, SIPO and the offer documents and policies published by the managers of the Underlying Funds for more information. Finally, the responsible investing standards applied by the Funds may not be aligned with the ethical beliefs of certain investors.

How risks can affect an investment

The actual or perceived existence of risk may manifest itself in uncertainty, which in turn increases volatility of investment returns. When the collective sentiment of the market is positive, prices rise; when it is negative, prices fall. If specific risks eventuate a total loss of capital may occur. Each investment will be affected by a different combination of risks.

Because of these risks, it is foreseeable that a Member may receive back less than the capital invested by the Member into a Fund. However, the Member will not be required to pay more money than the amount the Member invested in the Fund (with the exception of any PIE tax liability that may be incurred).

Insolvency or winding up

You will not be liable to pay money to any person as a result of the insolvency or winding up of the Scheme (except as described below).

You will be liable to meet any tax liability attributable to you which exceeds the value of your investment in the Scheme (in which case you indemnify the Supervisor for the difference between the value of your Member Account and the tax liability).

On insolvency or winding up of the Scheme, the assets of the Scheme are applied in the following order of priority:

- first, in allowing for all reasonable costs, fees, liabilities, claims and expenses that have or will accrue in the winding up of the Scheme and the administration of the Scheme up to the winding up date and any Tax liability of the Scheme or of the Members;
- secondly, in providing for benefits payable under the Trust Deed that had become payable prior to the winding up date and then remain unpaid; and
- thirdly, in respect of each Member who at the winding up date has an interest in the Scheme at that date, a benefit equal in value to the Member's accumulation in the Scheme shall be transferred to another KiwiSaver Scheme.

More information about market indices

More information on the market indices used by the Funds can be found at the following web pages:

- Bloomberg Indices: www.bloomberg.com/markets/rates-bonds/bloomberg-barclays-indices
- Bloomberg Indices: www.bloomberg.com/professional/product/indices/bloomberg-ausbond-index
- FTSE Russell Indices: www.ftserussell.com/index
- Morningstar Indices: www.indexes.morningstar.com
- MSCI Indices: www.msci.com/indexes
- S&P/ASX Indices: www.asx.com.au/products/indices.htm
- S&P Global Indices: www.spglobal.com/spdji/en/
- S&P/NZX Indices: www.spglobal.com/spdji/en/indices/equity/sp-nzx-50-index/
- Nasdaq Indices: www.nasdaq.com/solutions/global-indexes

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HAVE ANY LIABILITY FOR ANY LOST PROFITS OR SPECIAL, INCIDENTAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES, EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

No guarantee

Neither the Supervisor, us nor any other person guarantees or provides undertakings in relation to the return of capital invested in the Scheme by a Member, the payment of any return on capital, or provision of any distribution or payment of any money in relation to the Scheme, or the performance of the Scheme. A Member's investment is not secured against any assets.