

NZ Funds Managed Superannuation Service

Product Disclosure Statement



Issued by New Zealand Funds Management Limited
30 June 2017

This document replaces the Product Disclosure Statement dated 3 May 2017

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

1. KEY INFORMATION SUMMARY

What is this?

This is a managed investment scheme. Your money will be pooled with other investor's money and invested in various investments. New Zealand Funds Management Limited (NZ Funds) will invest your money and charge you a fee for its services. The returns you receive are dependent on the investment decisions of NZ Funds and the performance of the investments. The value of those investments may go up or down. The types of investments and the fees you will be charged are described in this document.

The NZ Funds Managed Superannuation Service (the Service) is a Qualifying Recognised Overseas Pension Scheme (QROPS) which means that it can accept money transferred from UK pension schemes or other current or former QROPS.

What will your money be invested in?

The Service offers you five investment options to choose from: four funds (called the ROPS GBP Income Strategy, the Income Strategy, the Inflation Strategy, and the Growth Strategy) and a life cycle investment option (called the LifeCycle Process).

These investment options are summarised in the table on page 4. More information about the investment target and strategy for each investment option is provided on pages 9 and 10.

Apart from the ROPS GBP Income Strategy, each Strategy has two membership classes; the Superannuation Class and the ROPS Class. The ROPS GBP Income Strategy only has a ROPS membership class.

The Superannuation Class has been established for retirement savings and to receive money transferred from other New Zealand superannuation schemes. You may 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 current or former QROPS. Other than these transfers, you cannot make contributions to the ROPS Class.

The LifeCycle Process investment option automatically allocates your investment across the Income Strategy, the Inflation Strategy, and the Growth Strategy each year, depending on your age (the ROPS GBP Income Strategy is not part of the LifeCycle Process). The portion of your investment allocated to each fund will change over time. We have selected three example ages (age 40, 55 and 65) as specified life cycle stages to provide information on the LifeCycle Process investment option in this PDS.

You may also choose your own Strategy allocations using the MemberChoice Process.

Who manages the NZ Funds Managed Superannuation Service?

The manager of the Service is NZ Funds.

 See section 7 of this PDS 'Who is involved?' on page 14 for more information.

How can you get your money out?

The Service is designed to help you save for your retirement.


If you have invested in the Superannuation Class, this means that you can generally only get your money out from the Superannuation Class on the earlier of:

- the date you turn age 65;
- the date you turn age 60, if the supervisor (The New Zealand Guardian Trust Company Limited) is satisfied that you have permanently retired from business or employment; or
- the date you turn age 55, as part of a transition to retirement.

You may also be able to withdraw some or all of your money in other limited circumstances, such as significant financial hardship or serious illness.

If you have invested in the ROPS Class, you can only make withdrawals in accordance with the UK pension rules applicable to QROPS (UK Pension Rules). This means that you can generally only withdraw from the ROPS Class once you reach age 55 or if you meet the ill health criteria under the UK Pension Rules. We may also need to impose additional terms and conditions on these amounts.


Your ability to withdraw from the Service may be affected by NZ Funds' ability to suspend withdrawals.

 See section 2 of this PDS 'How does this investment work?' on page 5 for more information.

How will your investment be taxed?

The Service is a portfolio investment entity (PIE).

The amount of tax you pay in respect of a PIE is based on your prescribed investor rate (PIR). To determine your PIR go to www.ird.govt.nz/toii/pir/.












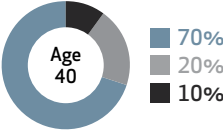

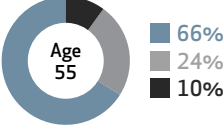

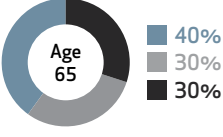

 See section 6 of this PDS 'What taxes will you pay?' on page 13 for more information.

Where can you find more key information?

NZ Funds is required to publish quarterly updates for each fund and for each specified life cycle stage in the LifeCycle Process. The updates show the returns, and the total fees actually charged to investors, during the previous year. The latest fund updates are available at www.nzfunds.co.nz. NZ Funds will also give you copies of those documents on request.

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

1. KEY INFORMATION SUMMARY (CONTINUED)

FUND / INVESTMENT OPTION NAME	OBJECTIVE	ANTICIPATED PRIMARY INVESTMENTS	RISK INDICATOR*	ESTIMATED ANNUAL FUND CHARGES
<p>The Strategies are able to invest in a wide range of assets and do not have a target investment mix. They may be invested in permitted investments in any proportion. The anticipated primary investments are noted below. In gaining exposure to assets, the Strategies use derivatives. See page 6 for more information.</p>				
 ROPS GBP Income Strategy	To provide an exposure to income-orientated assets and to the UK currency using an active investment management approach.	Primarily international fixed interest and the UK currency	 <p>← Lower risk Higher risk → 1 2 3 4 5 6 7 ← Potentially lower returns Potentially higher returns →</p>	1.20%
 Income Strategy	To provide exposure to income-orientated assets using an active investment management approach.	Primarily international fixed interest	 <p>← Lower risk Higher risk → 1 2 3 4 5 6 7 ← Potentially lower returns Potentially higher returns →</p>	1.20%
 Inflation Strategy	To mitigate the impact of inflation on your investment over the medium and/or long term by investing in income-orientated assets and growth-orientated assets using an active investment management approach.	Primarily a diversified range of inflation-sensitive assets	 <p>← Lower risk Higher risk → 1 2 3 4 5 6 7 ← Potentially lower returns Potentially higher returns →</p>	1.47% Includes estimated external manager performance fees of 0.07%. See page 12.
 Growth Strategy	To grow your investment over the long term by investing in income-orientated assets and growth-orientated assets using an active investment management approach.	Primarily Australasian and international equities	 <p>← Lower risk Higher risk → 1 2 3 4 5 6 7 ← Potentially lower returns Potentially higher returns →</p>	1.80% Includes estimated external manager performance fees of 0.20%. See page 12.
 LifeCycle Process - example: age 40  LifeCycle Process - example: age 55  LifeCycle Process - example: age 65	To allocate your investment across the Income Strategy, the Inflation Strategy, and the Growth Strategy based on your age to ensure that your investment is allocated in a manner that is consistent with your investment timeframe. This investment option is designed for a person with a moderate risk profile.	Strategy allocation: 	 <p>← Lower risk Higher risk → 1 2 3 4 5 6 7 ← Potentially lower returns Potentially higher returns →</p>	1.67% Includes estimated external manager performance fees of 0.15%. See page 12.
		Strategy allocation: 	 <p>← Lower risk Higher risk → 1 2 3 4 5 6 7 ← Potentially lower returns Potentially higher returns →</p>	1.66% Includes estimated external manager performance fees of 0.15%. See page 12.
		Strategy allocation: 	 <p>← Lower risk Higher risk → 1 2 3 4 5 6 7 ← Potentially lower returns Potentially higher returns →</p>	1.52% Includes estimated external manager performance fees of 0.10%. See page 12.

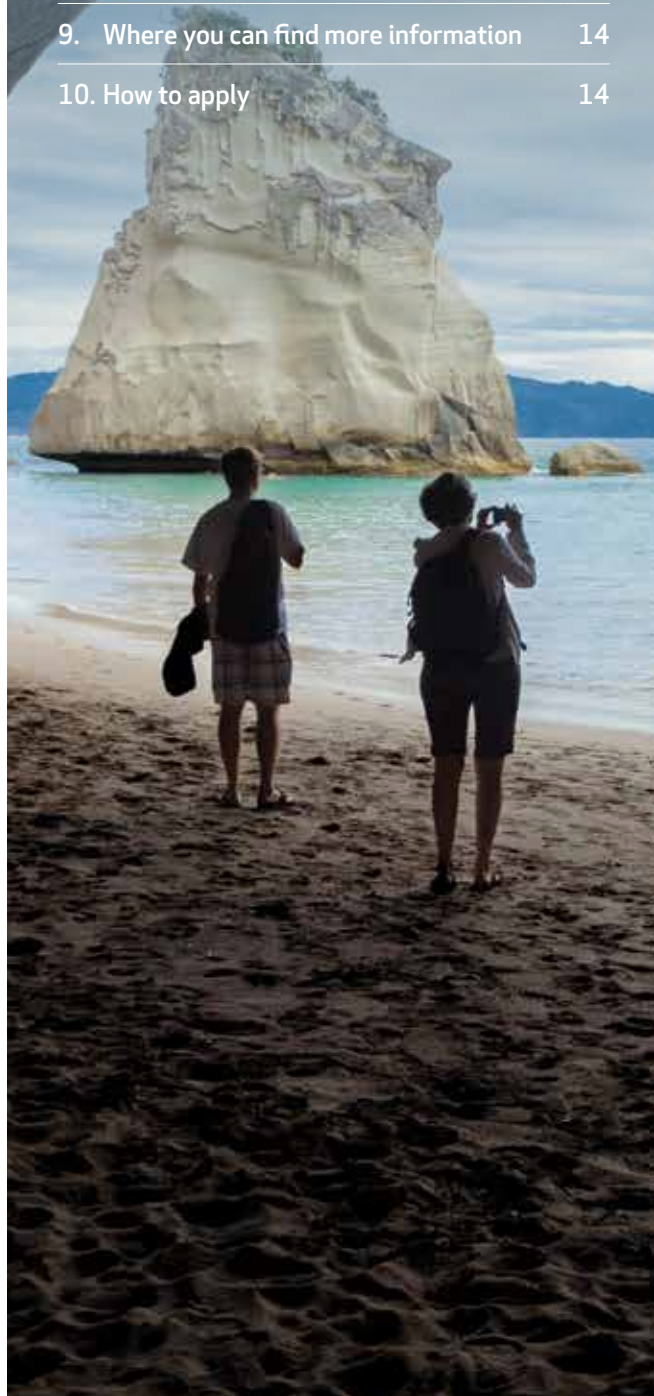
Income Strategy
 Inflation Strategy
 Growth Strategy

* As the investment options have not been in existence for a full five years to 31 March 2017, their risk indicators have been prepared using market index returns as well as actual returns where these are available. As a result, the risk indicator may provide a less reliable indicator of the potential future volatility of the investment option. For the ROPS GBP Income Strategy, market index returns have been used for the five years to 31 March 2017. For the other investment options, market index returns have been used for the period prior to 25 January 2017.

See page 11 for an explanation of the risk indicator and for information about other risks that are not included in the risk indicator. To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at www.nzfunds.co.nz/AdviceSolutions/RiskProfile/

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2. HOW DOES THIS INVESTMENT WORK?

The NZ Funds Managed Superannuation Service (the Service) is designed to help you save for your retirement. The Service is registered under the Financial Markets Conduct Act 2013 and is governed by an amended and consolidated trust deed (Trust Deed) dated 3 May 2017 between NZ Funds and the Service's Supervisor, The New Zealand Guardian Trust Company Limited (Supervisor).

The Service is a 'defined contribution' superannuation scheme. This means that you contribute to the Service over time and the benefits payable depend on the amount of contributions made by you, investment returns on those contributions, and tax and fees deducted.

The Service is also a Qualifying Recognised Overseas Pension Scheme (QROPS).

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

The number of units you are allocated is based on the price per unit, called the unit price. The performance of your investment will be measured by the rise or fall of the unit price. As the combined value of the assets owned by a Strategy increases or decreases, so too will the unit price.

It is important to note that no person guarantees the performance of the Service, including any returns or repayment of your investment.

The assets of a Strategy are not available to meet the liabilities of any other Strategy in the Service.

Features and benefits

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

QROPS status

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

LifeCycle Process

The LifeCycle Process is designed for a member with a moderate risk profile. If you choose the LifeCycle Process, your investment is automatically allocated across the Income Strategy, the Inflation Strategy, and the Growth Strategy (the ROPS GBP Income Strategy is not included in the LifeCycle Process) each year, depending on your age. Regularly reallocating your investment can have a significant bearing on the long-term success of your investment in the Service.

Active investment management

We use an active investment management approach that seeks to maintain a balance between preserving your capital and growing your wealth in a manner that is consistent with each Strategy's objective.

In managing the Strategies, we take a wide variety of actions and are not constrained by a benchmark (or target) asset allocation or range. The actions we take include, but are not limited to: altering

2. HOW DOES THIS INVESTMENT WORK? (CONTINUED)

the proportion invested in each security or asset class; altering the manner in which a Strategy is exposed to each security or asset class; investing directly or indirectly; using derivatives and/or any resulting leverage; using collective investment vehicles; using specialist investment managers; applying hedging or; taking short positions.

The way in which our active investment management approach is implemented may change over time. This may result in the Strategies being constructed with different combinations of investments, specialist investment managers and investment strategies.

Wholesale trusts and specialist investment managers

The Strategies may invest directly, or indirectly via wholesale trusts. A wholesale trust is a wholesale fund managed by NZ Funds which holds investments. Those investments may include directly held securities and/or investments in funds, managed by either NZ Funds or external specialist investment managers. The wholesale trust structure provides an effective way for investors to access these specialist investment managers. Specialist investment managers may be selected where NZ Funds considers their investment approach will help meet the objectives of the Strategies. The current specialist investment managers, if any, are available at www.nzfunds.co.nz.

Use of derivatives

In addition to understanding how we manage investments and our use of specialist investment managers, it is important that you know that each Strategy has the ability to use derivatives.

A derivative is a financial instrument, the value of which is derived from changes in the value of another asset (for example, a share market index, a commodity, a bond, or a currency). Examples of derivatives include futures, options, forwards and swaps.

Some examples of how derivatives may be used in a Strategy include:

- To gain exposure to an asset and/or asset class;
- To modify exposure to an asset and/or asset class; and
- To hedge or seek to mitigate exposure to an asset and/or asset class.

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

Economic exposure

Economic exposure is a measure developed and used by NZ Funds to illustrate a Strategy's total exposure. The use of derivatives can result in a Strategy's economic exposure being greater than the net asset value of the Strategy.

A Strategy's economic exposure is calculated using NZ Funds' methodology which treats certain types of derivatives differently. The extent to which derivatives are used, and the economic exposure of a Strategy, changes frequently and changes may be material. For more information on the Strategies' economic exposure, see the 'Other Material Information' document on the offer register at www.companiesoffice.govt.nz/disclose.

There are limits on the amount of economic exposure that may be incurred by some Strategies. For the ROPS GBP Income Strategy, the Income Strategy and the Inflation Strategy, the economic exposure limit is three times the Strategy's net asset value. There is no limit on economic exposure for the Growth Strategy.

Where economic exposure exceeds the net asset value of the Strategy, this generally means the Strategy is leveraged. While the use of derivatives can lead to the Strategies being leveraged, the Strategies do not borrow money to invest. Leverage may increase the volatility of the Strategy and may significantly increase the risk and extent of any loss.

Joining the Service

You can join the Service by investing in the Superannuation Class and/or the ROPS Class of a Strategy.

Superannuation Class

You can join the Superannuation Class if you are:

- An individual; or
- A person who is the trustee or manager of a retirement scheme.

You can join the Superannuation Class by completing the relevant application form at the back of this PDS (see section 10 'How to apply' for more information).

ROPS Class

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

You can join the ROPS Class by completing the relevant application form at the back of this PDS (see section 10 'How to apply' for more information). We recommend you seek financial and tax advice before making a transfer.

Investment choices

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

LifeCycle Process

The LifeCycle Process is designed for a member with a moderate risk profile. If you choose the LifeCycle Process your investment is automatically allocated across the Income Strategy, the Inflation Strategy, and the Growth Strategy (the ROPS GBP Income Strategy is not included in the LifeCycle Process) each year, depending on your age.

When you are younger, your investment will be largely in the Growth Strategy. As you get closer to retirement more of your investment will automatically be allocated to the Inflation Strategy and the Income Strategy. The chart on page 7 shows the current Strategy allocations under the LifeCycle Process. You should be aware that the allocations under the LifeCycle Process may change from time to time.

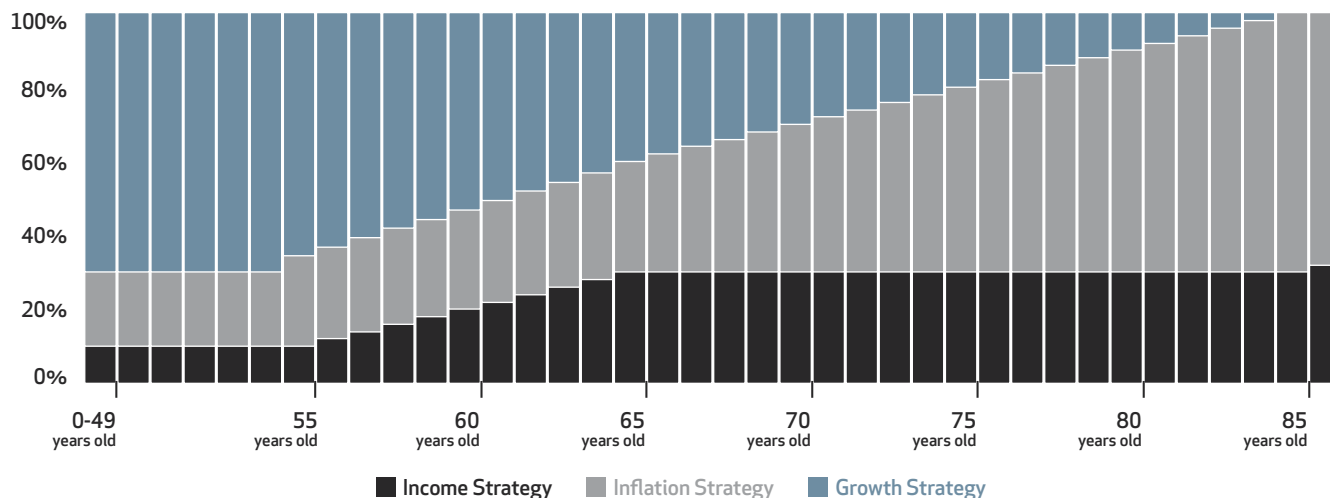
MemberChoice Process

If the LifeCycle Process is not suitable for you (for example because you have a conservative or aggressive risk profile, or you wish to invest in the ROPS GBP Income Strategy) you may choose the MemberChoice Process. Under the MemberChoice Process you can choose (generally in conjunction with your financial adviser) which Strategies your investment is allocated to, and the proportion to be invested in each Strategy. Under the MemberChoice Process, you should consider regularly reallocating your investment between the Strategies as this can have a significant bearing on the long-term success of your investment in the Service.

2. HOW DOES THIS INVESTMENT WORK? (CONTINUED)

LifeCycle Process - current Strategy allocations

This chart shows the current Strategy allocations under the LifeCycle Process. These allocations may change from time to time.



Making investments

Superannuation Class

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

If you choose to make regular contributions, you will need to complete a direct debit form available on our website at www.nzfunds.co.nz. You can make regular contributions on a weekly, fortnightly, monthly or quarterly basis. There is no obligation for you to make any ongoing regular contributions once you have made your initial investment. You can increase, decrease or stop regular contributions at any time by giving written notice to NZ Funds.

To make a lump sum payment directly to the Service, you will need to complete a lump sum contribution form and send it to NZ Funds. This form is available on our website at www.nzfunds.co.nz.

There is currently no minimum amount for lump sum or regular contributions. We will notify you if we introduce a minimum contribution amount.

NZ Funds does not charge a contribution fee.

ROPS Class

Other than transfers from UK pension schemes or from other current or former QROPS, you cannot make contributions to the ROPS Class of a Strategy. If you make a transfer then you will be subject to the UK Pension Rules, and we will need to report information relating to you to Her Majesty's Revenue & Customs (HMRC). See page 8 for more information.

UK Overseas Transfer Charge

If you requested to transfer from a UK pension scheme to the Service (or to another current or former QROPS) on or after 9 March 2017 and at the time of the transfer you are 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. We 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 on your behalf and you agree that we may provide HMRC with all information they require.

For more information on the UK Overseas Transfer Charge, see the 'Other Material Information' document on the offer register at www.companiesoffice.govt.nz/disclose.

Withdrawing your investments

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

Superannuation Class

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

Retirement

You can withdraw the full value of your investment when you reach the earlier of:

- The age of eligibility for New Zealand Superannuation (currently age 65); or
- The date you turn age 60, if the Supervisor is satisfied that you have permanently retired from business or employment.

Transition to Retirement

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

2. HOW DOES THIS INVESTMENT WORK? (CONTINUED)

Significant financial hardship

If you are suffering or are likely to suffer significant financial hardship (as defined in the Superannuation Scheme Rules) you may apply to the Supervisor to withdraw some or all of your investment. You may be required to provide evidence to support your application to withdraw on the grounds of significant financial hardship.

Serious illness

If you are suffering from a serious illness, you may apply to the Supervisor to withdraw some or all of your investment. You may be required to provide medical evidence to support your application to withdraw on the grounds of serious illness.

ROPS Class

If you are invested in the ROPS Class, you will only be able to withdraw your investment in accordance with the UK Pension Rules, which allow you to withdraw:

- when you reach the UK normal minimum pension age (currently age 55); or
- if you meet the ill health or serious ill health conditions under UK law.

If you have transferred to the Service from a UK pension scheme or from another current or former QROPS, we may also be required to comply with any withdrawal requirements imposed by the transferring scheme. In addition, we may impose other terms and conditions on UK pension amounts held in the Service if we determine it to be necessary or desirable or in the best interests of the transferring member specifically, or the Service generally.

If you meet the withdrawal criteria, you may withdraw your entire investment in the ROPS Class. However, if you withdraw more than the authorised amounts under the UK Pension Rules (either as a lump sum or as an annual pension) you may be subject to an unauthorised payments charge and an unauthorised payments surcharge under UK law of up to 55% of the amount withdrawn.

For more information on the withdrawal rules applicable to the ROPS Class, see the 'Other Material Information' document on the offer register at www.companiesoffice.govt.nz/disclose.

Ill health or serious ill health

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

Transfers

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

Transfers from the ROPS Class may also be subject to the UK Overseas Transfer Charge.

UK tax

If you are invested in the ROPS Class, any withdrawal or transfer you make from the Service may result in you being subject to an unauthorised payments charge and unauthorised payments surcharge under UK law if the amount includes money originally transferred from a UK pension scheme:

- before 6 April 2017 and you have not been a UK tax non-

resident for five consecutive full UK tax years; or

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

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

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

The UK tax rules applying to the transfer and withdrawal of UK pension amounts are complex. We recommend that you obtain professional tax advice before making any decision to withdraw or transfer any UK pension amounts.

For more information on the unauthorised payments charge and unauthorised payments surcharge, see the 'Other Material Information' document on the offer register at www.companiesoffice.govt.nz/disclose.

Withdrawals generally

Death

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

Other withdrawals

NZ Funds will comply with the provisions of any legislation or Court order that requires it to release some or all of your investment from the Service (for example, in relation to the Property (Relationships) Act 1976).

Suspension of withdrawals

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

More information





For more information on withdrawals, see the 'Other Material Information' document on the offer register at www.companiesoffice.govt.nz/disclose. Withdrawal forms are available from your adviser or by contacting NZ Funds.

How to switch between funds

If you invest using the LifeCycle Process, your investment will be progressively reallocated between the Income, Inflation and Growth Strategies depending on your age. You do not need to complete a switch investment form for this to occur as your holdings will be switched automatically.




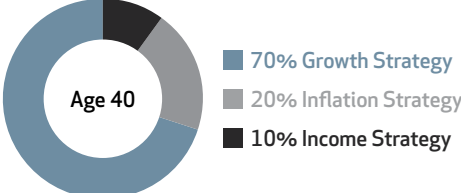

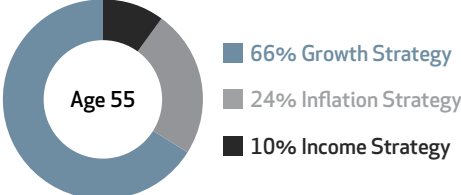

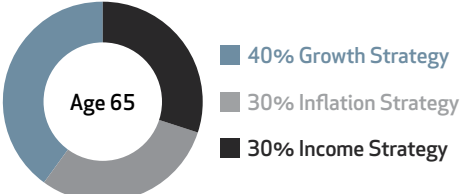

If you invest using the MemberChoice Process and wish to change the allocation of your investment, or if you wish to switch between the LifeCycle Process and the MemberChoice Process, you will need to complete a switch investment form and send it to NZ Funds. This form is available from your adviser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

3. DESCRIPTION OF YOUR INVESTMENT OPTIONS

FUND NAME	OBJECTIVE	PERMITTED INVESTMENTS	INVESTMENT STRATEGY SUMMARY	ANTICIPATED PRIMARY INVESTMENTS	RISK CATEGORY	MINIMUM SUGGESTED INVESTMENT TIMEFRAME
<p>The Strategies are able to invest in a wide range of assets and do not have a target investment mix. They may be invested in permitted investments in any proportion. The anticipated primary investments are noted below. In gaining exposure to assets, the Strategies use derivatives. See page 6 for more information .</p>						
 ROPS GBP Income Strategy	To provide an exposure to income-orientated assets and to the UK currency using an active investment management approach.	<ul style="list-style-type: none"> • Cash and cash equivalents • New Zealand fixed interest • International fixed interest • Foreign currency • Alternative securities* 	Over time, it is anticipated that the Strategy will hold a significant exposure to cash and cash equivalents, international fixed interest and/or New Zealand fixed interest, with a UK currency overlay.	Primarily international fixed interest and the UK currency	5	2 years+
 Income Strategy	To provide exposure to income-orientated assets using an active investment management approach.	<ul style="list-style-type: none"> • Cash and cash equivalents • New Zealand fixed interest • International fixed interest • Foreign currency • Alternative securities* 	Over time, it is anticipated that the Strategy will hold a significant exposure to cash and cash equivalents, international fixed interest and/or New Zealand fixed interest.	Primarily international fixed interest	3	2 years+
 Inflation Strategy	To mitigate the impact of inflation on your investment over the medium and/or long term by investing in income-orientated assets and growth-orientated assets using an active investment management approach.	<ul style="list-style-type: none"> • Cash and cash equivalents • New Zealand fixed interest • International fixed interest • Australasian equities • International equities • Listed property • Foreign currency • Commodities • Alternative securities* 	Over time, it is anticipated that the Strategy will hold a diversified range of assets expected to include cash and cash equivalents, New Zealand fixed interest, international fixed interest, Australasian equities, international equities, and/or commodities.	Primarily a diversified range of inflation-sensitive assets	4	5 years+
 Growth Strategy	To grow your investment over the long term by investing in income-orientated assets and growth-orientated assets using an active investment management approach.		Over time, it is anticipated that the Strategy will hold a significant exposure to Australasian equities, international equities, and/or alternative securities.	Primarily Australasian and international equities	5	10 years+

* 'Alternative securities' means asset classes not usually accessed by retail investors, for example, private equity, venture capital and hedge funds. These tend to be asset classes where valuation and liquidity may be uncertain and returns may be volatile.

3. DESCRIPTION OF YOUR INVESTMENT OPTIONS (CONTINUED)

INVESTMENT OPTION NAME	OBJECTIVE	INVESTMENT STRATEGY SUMMARY	RISK CATEGORY	MINIMUM SUGGESTED INVESTMENT TIMEFRAME
<p>The Strategies are able to invest in a wide range of assets and do not have a target investment mix. They may be invested in permitted investments in any proportion. The anticipated primary investments are noted below. In gaining exposure to assets, the Strategies use derivatives. See page 6 for more information.</p>				
<p> Lifecycle Process - example: age 40</p> <p> Lifecycle Process - example: age 55</p> <p> Lifecycle Process - example: age 65</p>	<p>To allocate your investment across the Income Strategy, the Inflation Strategy and the Growth Strategy based on your age to ensure that your investment is allocated in a manner that is consistent with your investment timeframe.</p>	<p>At age 40, your investment will be allocated as follows:</p>  <p>The individual objective, investment strategy, permitted investments and anticipated primary investments for each Strategy are set out on page 9.</p>		<p>10 years+</p>
	<p>This investment option is designed for a person with a moderate risk profile.</p>	<p>At age 55, your investment will be allocated as follows:</p>  <p>The individual objective, investment strategy, permitted investments and anticipated primary investments for each Strategy are set out on page 9.</p>		<p>10 years+</p>
		<p>At age 65, your investment will be allocated as follows:</p>  <p>The individual objective, investment strategy, permitted investments and anticipated primary investments for each Strategy are set out on page 9.</p>		<p>5 years+</p>

For more information on NZ Funds’ investment approach, see the Statement of Investment Policy and Objectives (SIPO). NZ Funds may make changes to the SIPO at any time after consulting with the Supervisor. A description of any material changes to the SIPO will be included in the Service’s annual report. Where required by the Trust Deed or law, you will receive prior notice of material changes. The current SIPO for the Service is available on the scheme register at www.companiesoffice.govt.nz/disclose.

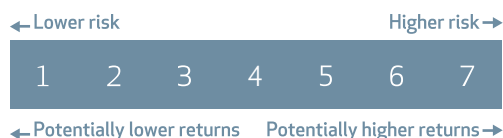
Further information about the assets in each Strategy can be found in the fund updates at www.nzfunds.co.nz.

4. WHAT ARE THE RISKS OF INVESTING?

Understanding the risk indicator

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

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



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

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

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

The risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the returns data for the five years to 31 March 2017. While risk indicators are usually relatively stable, they do shift from time to time. You can see the most recent risk indicator in the latest fund update for the relevant investment option.

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

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

General investment risks

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

Market risk

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

Illiquid securities

The Strategies may hold illiquid securities. Illiquid securities are assets that cannot quickly be converted or exchanged for cash (or not without a significant loss in value). Illiquid securities generally carry a greater risk than liquid securities, particularly during times of market turmoil. Investment illiquidity may make it difficult to value, acquire or dispose of assets.

Certain investment instruments and techniques

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

- **Derivatives.** A derivative is a financial instrument, the value of which is derived from changes in the value of another asset (for example, a share market index, a commodity, a bond, or a currency). The use of derivatives can result in a Strategy being leveraged which means small changes in the value of the underlying asset of a derivative may result in substantial losses for the Strategy.
- **Short positions.** When taking a short position, the seller seeks to profit from a fall in the price of a security. However, there is no assurance that the price will fall and if it rises a loss will be incurred.
- **Asset concentration.** The Strategies can hold permitted securities or asset classes in any proportion or concentration, meaning that the Strategies may not be diversified.
- **Higher risk securities and/or managers.** The Strategies can hold an allocation to some securities or managers (for example, alternative securities) which are higher risk than the risk indicator of the Strategy where NZ Funds assesses that the investment will not materially alter the Strategy's risk indicator. In making this assessment, NZ Funds may consider the different types of risk a Strategy is exposed to, asset correlations, liquidity and NZ Funds' active investment management approach. However, actual results may differ, increasing the risk and extent of any loss.

Currency risk

The Strategies' unit prices are denominated in New Zealand dollars but the Strategies may be exposed directly or indirectly to foreign currencies or investments denominated in foreign currencies. Currency risk is the risk that a Strategy's returns may be affected by changes in the value, or terms, of a currency

While relevant for all Strategies, this risk is particularly significant for the ROPS GBP Income Strategy as this Strategy is designed to provide members with an exposure to the UK currency.

Other specific risks

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

LifeCycle Process risk

The LifeCycle Process is designed for a person with a moderate risk profile. Even if you have a moderate risk profile and you choose the LifeCycle Process there is a risk that it may not be suitable for you as it does not take into account your personal circumstances (such as your individual financial circumstances). If you have any concerns about the LifeCycle Process you should discuss them with a financial adviser or NZ Funds.

4. WHAT ARE THE RISKS OF INVESTING? (CONTINUED)

Active investment management

NZ Funds uses an active investment management approach. An active investment management approach is subject to different risks (which may be considered higher risks) than a non-active investment approach. As a result, NZ Funds' active investment management approach may cause the returns and capital stability of the Strategies to significantly differ from the returns and capital stability of the underlying asset classes utilised.

Wide investment mandates

The Trust Deed and SIPO for the Service enable NZ Funds to invest in a wide range of assets and to change assets quickly and without notice to investors. NZ Funds has developed internal investment guidelines as part of its investment management process which assist in the oversight of each Strategy.

Specialist investment managers

NZ Funds' investment strategy may include the selection of underlying specialist investment managers. There are a number of risks associated with investing in a specialist investment manager, including that a manager selected underperforms, or that a manager may suspend withdrawals from an underlying fund, resulting in a loss. NZ Funds has a due diligence process for appointing specialist investment managers and all managers are monitored and reviewed.

Key person risk

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

UK Pension Rule changes

The UK Pension Rules may change, particularly those relating to withdrawals. Changes to the UK Pension Rules may prevent future transfers of UK pension amounts to the Service, or may have an adverse impact on a member's ability to withdraw or transfer UK pension amounts from the Service. The QROPS requirements and restrictions applying to the Service may change from time to time in order to comply with UK or New Zealand regulations.

Loss of QROPS status

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

UK tax risk






A withdrawal or transfer of UK pension amounts transferred to the Service (including amounts transferred from another current or former QROPS) may result in a member having an unauthorised payments charge and an unauthorised payments surcharge under UK law with respect to the amount withdrawn or transferred. There is also the risk that if you have requested to transfer money from a UK pension scheme to the Service (either directly or via another QROPS) on or after 9 March 2017 and the transfer was exempt from the UK Overseas Transfer Charge, you may be required to pay the charge in the future if your circumstances change during the five full UK tax years following the transfer (for example, if you no longer meet the tax residency requirement).

For more information on the risks of investing in the Service, see the 'Other Material Information' document on the offer register at www.companiesoffice.govt.nz/disclose.

5. WHAT ARE THE FEES?

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

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

FUND NAME / INVESTMENT OPTION	MANAGEMENT FEE		ADMINISTRATION CHARGES (ESTIMATED)	=		EXTERNAL MANAGER PERFORMANCE FEES (ESTIMATED)	=	TOTAL ANNUAL FUND CHARGES* (ESTIMATED)
 ROPS GBP Income Strategy	1.10%	+	0.10%	=	1.20%	+	0.00%	= 1.20%
 Income Strategy	1.10%	+	0.10%	=	1.20%	+	0.00%	= 1.20%
 Inflation Strategy	1.30%	+	0.10%	=	1.40%	+	0.07%	= 1.47%
 Growth Strategy	1.50%	+	0.10%	=	1.60%	+	0.20%	= 1.80%
LifeCycle Process – example: age 40	1.42%		0.10%		1.52%		0.15%	1.67%
 LifeCycle Process – example: age 55	1.41%	+	0.10%	=	1.51%	+	0.15%	= 1.66%
LifeCycle Process – example: age 65	1.32%		0.10%		1.42%		0.10%	1.52%

* Expressed as a percentage of the net asset value of the Strategy. The total annual fund charges include a combination of fixed and variable (performance-based) fees and therefore actual fund charges will vary from the estimates depending on performance. Annual fund charges are deducted from the Strategy or the underlying funds it invests in (as applicable) and reflected in the Strategy's unit price.

5. WHAT ARE THE FEES? (CONTINUED)

Description of the fee categories:

FEE	DESCRIPTION
Management fee	Each Strategy has an annual management fee at a fixed rate. As the management fees are fixed as a percentage of the gross asset value of each Strategy, these charges have been estimated as a percentage of net asset value in the preceding table. Management fees are accrued daily and paid to NZ Funds monthly in arrears.
Administration charges	These cover the general management of the Strategies (for example, Supervisor fees, legal and audit fees). They also cover charges payable in respect of the underlying funds that the Strategies invest in (excluding performance fees charged by specialist investment managers). Some of these underlying fund charges are payable to NZ Funds and its associated entities. These charges are an estimate.
External manager performance fees	These cover performance fees that may be charged by underlying specialist investment managers (not related to NZ Funds) when specific performance targets are met. These fees are an estimate. Actual performance fees will depend on the managers selected which will change from time to time and on their actual performance, and will vary from these estimates. Past performance is not indicative of future performance.

For more information on the above fees and charges, including the basis of estimates, see the 'Other Material Information' document on the offer register at www.companiesoffice.govt.nz/disclose.

Individual action fees

There are currently no establishment, contribution, termination, withdrawal, switch or transfer fees charged.

Financial adviser fees

Your financial adviser may charge fees for financial advisory services they provide, together with implementation and withdrawal fees. These fees, including how and when the fees are payable, should be agreed between you and your financial adviser before an investment is made. Details of these fees are required to be outlined in your financial adviser's disclosure statement.

We may charge a fee for financial advisory services provided by an NZ Funds financial adviser, which will be set and payable in the same way as above.

Example of how fees apply to an investor

Liam invests \$10,000 in the Growth Strategy. He is charged annual fund charges, which work out to about \$180 (1.80% of \$10,000). These fees might be more or less if his account balance has increased or decreased over the year.

ESTIMATED TOTAL FEES FOR THE FIRST YEAR

Fund charges \$180*

* Includes estimated external manager performance fees of \$20

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

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

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

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

The fees can be changed

Existing fees may be changed or new fees introduced in accordance with the Trust Deed. For more information, see the 'Other Material Information' document on the offer register at www.companiesoffice.govt.nz/disclose.

NZ Funds must publish a fund update for each fund and each specified life cycle stage showing the fees actually charged during the most recent year. Fund updates including past updates, are available at www.nzfunds.co.nz.

6. WHAT TAXES WILL YOU PAY?

Portfolio Investment Entity

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

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

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

Taxation of foreign superannuation transfers

The foreign superannuation rules in the New Zealand Income Tax Act tax transfers from foreign superannuation schemes (other than from Australian superannuation schemes) to New Zealand superannuation schemes.

You should consult your tax adviser before making a transfer to the Service from a foreign superannuation scheme.

For more information on tax, see the 'Other Material Information' document on the offer register at www.companiesoffice.govt.nz/disclose.

7. WHO IS INVOLVED?

About NZ Funds

NZ Funds is the manager of the NZ Funds Managed Superannuation Service. NZ Funds makes decisions about what assets the Strategies invest in and may appoint underlying specialist investment managers. NZ Funds is also responsible for the design of the LifeCycle Process.

Our contact details are:

Attention: Head of Client Services
New Zealand Funds Management Limited
Level 16, 21 Queen Street
Private Bag 92163
Auckland 1142

T. 09 377 2277 or 0508 733 337

E. info@nzfunds.co.nz

Who else is involved?

TITLE	NAME	ROLE
Supervisor	The New Zealand Guardian Trust Company Limited	Supervisor of the Service under the Financial Markets Conduct Act 2013, responsible for supervising NZ Funds as manager of the Service and holding scheme property on trust for the Service.

8. HOW TO COMPLAIN

In the first instance, please contact NZ Funds. Our contact details are set out in section 7 of this PDS 'Who is involved?'

Complaints about an investment can also be made direct to the Supervisor or to Financial Services Complaints Limited (FSCL), NZ Funds' and the Supervisor's approved dispute resolution scheme.

Supervisor

Attention: NZ Funds Relationship Manager
The New Zealand Guardian Trust Company Limited
Level 14, 191 Queen Street
PO Box 274
Auckland 1140

T. 09 909 5100

E. ct-auckland@nzgt.co.nz

Dispute Resolution Service

Attention: Early Assistance Officer
Financial Services Complaints Limited
PO Box 5967
Wellington 6145

T. 04 472 3725 or 0800 347 257

E. complaints@fscl.org.nz

W. www.fscl.org.nz

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

9. WHERE YOU CAN FIND MORE INFORMATION

Further information relating to the Service and the Strategies, such as financial statements, annual reports, quarterly fund updates, the 'Other Material Information' document, the Trust Deed and the SIPO for the Service, is available on the offer register and the scheme register at www.companiesoffice.govt.nz/disclose. A copy of information on the offer register and the scheme register is available on request to the Registrar of Financial Service Providers.

Fund updates and other information relating to the Strategies is available on our website at www.nzfunds.co.nz. You may request a copy of this information from us free of charge.

10. HOW TO APPLY

You can apply to join the NZ Funds Managed Superannuation Service by completing the relevant application form at the back of this PDS. You will be required to verify your identity and address (and in some cases proof of the source of your funds) for the purposes of the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (AML/CFT Act).

Prescribed Investor Rate (PIR)

PIR
(Select one rate only)

10.5% 17.5% 28%

You must select a PIR and provide your IRD number for this investment. The amount of tax you pay on your NZ Funds Managed Superannuation Service investment is based on your PIR. To determine your PIR, go to www.ird.govt.nz/toi/pir/. If a rate is not selected, the default rate of 28% will apply. See section 6 of the Product Disclosure Statement 'What taxes will you pay?' for more information.

Payment options (Please tick one or more)

I wish to make a lump sum contribution of \$ by way of cheque.

Please make any cheques payable to **NZ Guardian Trust - NZ Funds Managed Superannuation Service** marked 'Account Payee Only'.

I wish to make a lump sum contribution of \$ by direct credit.

Please make any direct credits to **NZ Guardian Trust - NZ Funds Managed Superannuation Service (03-0104-0122344-000)**
Please include your surname in the payee particulars.

I wish to make regular contributions per the completed Direct Debit Form attached (forms are available from NZ Funds' website at www.nzfunds.co.nz).

I wish to transfer from another superannuation scheme*.

Name of the
superannuation provider

Name of the
superannuation scheme

Current scheme
member number

Transfer entire balance of my superannuation scheme account **OR** Transfer amount

*Please complete an 'Authority to transfer' form available from NZ Funds' website at www.nzfunds.co.nz.

Investment options (Please tick one only)

LifeCycle Process - I wish to allocate to the Income, Inflation and Growth Strategies based on the LifeCycle Process.

OR

MemberChoice Process - I wish to make my own allocation to the following Strategy or Strategies:

% Allocation



Income Strategy



Inflation Strategy



Growth Strategy

Total

100%

Any additional lump sum or regular contributions will be allocated per the LifeCycle Process or MemberChoice Process as elected above.

If you wish to change your allocation or switch between LifeCycle Process and MemberChoice Process, you may do so by completing a Switch Investment Form.

Nature and purpose of this investment

Nature of the
investment

Initial lump sum only Lump sums Regular contributions Lump sums and regular contributions

Purpose of the
investment

Pre retirement, saving for retirement Post retirement, income in retirement Wealth accumulation

Other
(please explain)

Continued over...

Adviser fees (Financial adviser to complete)

- Initial advice fee of % of the initial lump sum investment OR \$ deducted from the investment amount received by NZ Funds and paid proportionately across those Strategies you are investing in.
- Ongoing advice fee of % p.a. of the aggregate amount that you have invested in the Strategies paid either monthly or fortnightly in arrears and deducted proportionately across those Strategies you are invested in.
- OR
- Ongoing advice fee of \$ p.a. paid in either monthly or fortnightly instalments and deducted proportionately across those Strategies you are invested in.

The fees you have agreed with your financial adviser will be deducted from your investment and paid directly to your financial adviser.

Terms and conditions

By signing this Application Form, I confirm that:

- All details provided in this Application Form are correct.
- I have received, read and understood the Product Disclosure Statement dated 30 June 2017 to which this Application Form was attached. I understand that additional information about the NZ Funds Managed Superannuation Service is available on the online register entry at www.companiesoffice.govt.nz/disclose.
- I agree to be bound by the terms and conditions contained in the Product Disclosure Statement, the Trust Deed (as amended from time to time) and the online register entry relating to the NZ Funds Managed Superannuation Service.
- I understand that personal information provided in this Application Form and any personal information provided by me in the future will be used by NZ Funds and the Supervisor, and any related companies of these parties, together with my financial adviser, for administering the investment, including satisfying the requirements of the AML/CFT Act (this may include using my personal information for the purpose of electronic identity verification using various third party databases including the Department of Internal Affairs database). I understand my personal information may also be shared with relevant authorities including Inland Revenue. NZ Funds may also use my personal information to provide me with information about other products and services. I acknowledge that I have the right to access and correct this information.
- I authorise NZ Funds to disclose personal information to the Financial Markets Authority as may be required from time to time under the Financial Markets Conduct Act 2013 or any other law.
- If you are a US Person, NZ Funds may be required to provide certain information about your investment in the NZ Funds Managed Superannuation Service to Inland Revenue in order for NZ Funds to satisfy its obligations under the US Foreign Account Tax Compliance Act (FATCA)*. In accordance with the provisions of the FATCA regime, Inland Revenue may pass this information to the United States Internal Revenue Service.
- If you are a tax resident of another country, NZ Funds may be required to provide certain information to Inland Revenue in order to satisfy its obligations under the Common Reporting Standards (CRS)*. In accordance with the provision of the CRS regime, Inland Revenue may pass this information to tax departments of other participating jurisdictions.
- **I agree to comply with the Common Reporting Standards (CRS) regulations which include agreeing to inform NZ Funds of any changes of tax residency status that apply to me within 30 days of the change.**
- If I am a member of another superannuation or other retirement savings scheme (and have chosen to transfer my benefit from that scheme to the NZ Funds Managed Superannuation Service), I agree to the transfer of my interest in the other scheme to the NZ Funds Managed Superannuation Service and authorise the manager and/or the supervisor of my current scheme to provide NZ Funds and the Supervisor with any personal information needed to complete the transfer. I understand that, depending on the terms of the other scheme, I may cease to be a member of that other scheme.
- I consent to NZ Funds communicating with me, and providing me with information, by electronic means (i.e. by email, as provided by me, and/or by providing me with a URL link, or with information through an electronic facility). These communications may include, but not be limited to, general correspondence, investment updates, and legally required communications or documents (including annual reports, annual member statements (confirmation information), and annual tax statements).
- I authorise NZ Funds to deduct units from my holding in the NZ Funds Managed Superannuation Service to fund any advice fees as agreed with my financial adviser.
- NZ Funds and the Supervisor are entitled to rely on my elected PIR for all investments I have made for this account.
- **I understand the value of my investment in the NZ Funds Managed Superannuation Service can rise and fall depending on market conditions and other circumstances prevailing at the time, and that there is no promise or guarantee made by any person as to the performance of any investment or the return of any funds invested.**

* For further information regarding AML/CFT, FATCA and CRS please refer to our Compliance Guidance Note available on our website at www.nzfunds.co.nz.

Applicant's signature

Signature of member

Date

The Anti-Money Laundering and Countering Financing of Terrorism Act 2009 requires verification of identity of the applicant. Please ensure the relevant identity information on the following pages is completed in full.

Continued over...

Authorised Financial Adviser use only

I am an Authorised Financial Adviser authorised to provide financial adviser services in relation to this transaction and any initial advice fee and/or ongoing advice fee is:

- Authorised for deduction under an agreement with the member, and
- The amount of the fee or fees does not exceed the amount(s) specified in the agreement with the member.

Adviser name

Adviser FSP number

Adviser company

Adviser code

Adviser signature

Date

Identity verification

NZ Funds as a financial institution is required by law to collect identity and address information on its customers.

There are three ways to complete identity verification. The options are:

- 1a) Documentary identity verification, completed face-to-face by an Authorised Individual*; or
- 1b) Documentary identity verification, completed by a Trusted Referee; or
- 2) Electronic identity verification.

1a & 1b - Documentary identity verification

Identity information

In order to verify your identity, select and tick **ONE** of the ID combination columns below:

ID Combination 1	ID Combination 2	ID Combination 3
<input type="radio"/> NZ driver licence.	<input type="radio"/> NZ driver licence, OR	<input type="radio"/> Passport, OR
And ONE of the documents listed below:	<input type="radio"/> 18+ card.	<input type="radio"/> NZ firearms licence.
<input type="radio"/> Credit, debit or eftpos card (Including name and signature)	And ONE of the documents listed below:	
<input type="radio"/> Bank statement	<input type="radio"/> Full birth certificate	
<input type="radio"/> Government agency document (e.g. IRD correspondence)	<input type="radio"/> Citizenship certificate	

Residential address documentation

In order to verify your residential address, select and tick **ONE** of the options below. This document must be no more than three months old.

- | | |
|--|--|
| <input type="radio"/> Bank or financial institution statement | <input type="radio"/> Rates or house insurance document |
| <input type="radio"/> Utility document
(e.g. electricity, gas, water, landline telephone or Sky TV) | <input type="radio"/> Government agency document
(e.g. correspondence from IRD or an educational institution) |

For persons under 18 years of age

- Should the identity information options above be unavailable, a birth certificate or student card are acceptable.
- Should the residential address documentation options be unavailable, proof of the address of the parent(s) or guardian(s) that the minor resides with is acceptable.

Exception handling procedures

Where an individual is unable to supply documents as detailed previously, please contact the Administration Manager on 0800 693 5494 or by email to nzfkwiwi@linkmarketservices.co.nz.

1a - Documentary identity verification completed face-to-face by an Authorised Individual*

- Authorised Individual* has sighted the original documents selected above, each of which represents the identity (ie, name, date of birth, and residential address) of the named individual. Please ensure copies of the selected documents are attached to this form.

1b - Documentary identity verification, completed by a Trusted Referee

A Trusted Referee must be:

- at least 16 years of age; and
- not related, spouse or partner, living at the same residential address or involved in the transaction or business; and
- one of the following (please select and tick):

- | | | |
|---|--|--|
| <input type="radio"/> Commonwealth representative | <input type="radio"/> Member of the police | <input type="radio"/> Justice of the Peace |
| <input type="radio"/> Registered medical doctor | <input type="radio"/> Kaumātua | <input type="radio"/> Registered teacher |
| <input type="radio"/> Minister of religion | <input type="radio"/> Lawyer | <input type="radio"/> Notary Public |
| <input type="radio"/> New Zealand Honorary Consul | <input type="radio"/> Member of Parliament | <input type="radio"/> Chartered accountant |
| <input type="radio"/> A person who has legal authority to take statutory declarations | | |

Note: document certification must occur no earlier than three months prior to the date of presentation.

Name

I, , Trusted Referee,

- have sighted the original documents selected above, each of which represents the identity (i.e., name, date of birth and residential address) of the named individual; and
- have signed copies of those documents and attached these to this form; and
- confirm that the copies of those documents attached are true copies of the original documents of the above named individual sighted by me today.

Signature of Trusted Referee

Date

2 - Electronic identity verification

- Authorised Individual* has ensured an Electronic Verification certificate has identified and verified the named individual and a copy of that certificate is attached to this form.

Identity verification by an Authorised Individual*

Name

I, , Authorised Individual,
have verified client identity information as is required by the Anti-Money Laundering and Countering Financing of Terrorism Act 2009.

Signature of Authorised Individual*

Date

* Authorised Individual refers to a person listed on the NZ Funds 'Register of Individuals Authorised to perform CDD'.

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Prescribed Investor Rate (PIR)

PIR
(Select one rate only)

10.5% 17.5% 28%

You must select a PIR and provide your IRD number for this investment. The amount of tax you pay on your NZ Funds Managed Superannuation Service investment is based on your PIR. To determine your PIR, go to www.ird.govt.nz/toii/pir/. If a rate is not selected, the default rate of 28% will apply. See section 6 of the Product Disclosure Statement 'What taxes will you pay?' for more information.

UK tax details

Date ceased to be a
UK Tax Resident

UK National Insurance
number

Transfer details

If you wish to transfer funds from a **UK pension scheme**, please complete **Section A** below.

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

Section A - Transferring from a UK pension scheme

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

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

[†] Please complete HMRC Form (APSS263) for each pension scheme you wish to transfer funds from.

Pension one

Name of the
UK pension provider

Name of the
UK pension scheme

Address of the
UK pension scheme

Street/PO Box

Suburb

City

Postcode

UK pension scheme
ID number

Current scheme
member number

Transfer entire balance
of UK scheme account ^{††}

Estimated transfer amount ^{††}

Pension two (if applicable)

Name of the
UK pension provider

Name of the
UK pension scheme

Address of the
UK pension scheme

Street/PO Box

Suburb

City

Postcode

UK pension scheme
ID number

Current scheme
member number

Transfer entire balance
of UK scheme account ^{††}

Estimated transfer amount ^{††}

^{††} The Service is denominated in NZ dollars and therefore the transfer amount will be converted from GBP into NZ dollars at the prevailing exchange rate.

Continued over...

Section B - Transferring from a QROPS

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

Please also complete an 'Authority to transfer' form available from NZ Funds' website at www.nzfunds.co.nz.

Name of the QROPS provider

Name of the QROPS

Address of the QROPS

Street/PO Box

Suburb City and Postcode Country

QROPS number

Current scheme member number





Transfer entire balance of QROPS account Estimated transfer amount

Investment options (Please tick one only)

LifeCycle Process - I wish to allocate to the Income, Inflation, and Growth Strategies based on the LifeCycle Process.

OR

MemberChoice Process - I wish to make my own allocation to the following Strategy or Strategies:

	% Allocation
 ROPS GBP Income Strategy	<input type="text"/>
 Income Strategy	<input type="text"/>
 Inflation Strategy	<input type="text"/>
 Growth Strategy	<input type="text"/>
Total	100%

Any transfers will be allocated per the LifeCycle Process or the MemberChoice Process as elected above.

If you wish to change your allocation or switch between the LifeCycle Process and the MemberChoice Process, you may do so by completing a Switch Investment Form.

Purpose of this investment

Pre retirement, saving for retirement Post retirement, income in retirement Wealth accumulation

Other (please explain)

Adviser fees (Financial adviser to complete)

Initial advice fee of % of the initial lump sum investment OR \$ deducted from the investment amount received by NZ Funds and paid proportionately across those Strategies you are investing in.

Ongoing advice fee of % p.a. of the aggregate amount that you have invested in the Strategies paid either monthly or fortnightly in arrears and deducted proportionately across those Strategies you are invested in.

OR

Ongoing advice fee of \$ p.a. paid in either monthly or fortnightly instalments and deducted proportionately across those Strategies you are invested in.

The fees you have agreed with your financial adviser will be deducted from your investment and paid directly to your financial adviser.

Continued over...

Terms and conditions

By signing this Application Form, I confirm that:

- All details provided in this Application Form are correct.
- I have received, read and understood the Product Disclosure Statement dated 30 June 2017 to which this Application Form was attached. I understand that additional information about the NZ Funds Managed Superannuation Service is available on the online register entry at www.companiesoffice.govt.nz/disclose.
- I agree to be bound by the terms and conditions contained in the Product Disclosure Statement, the Trust Deed (as amended from time to time) and the online register entry relating to the NZ Funds Managed Superannuation Service.
- I understand that personal information provided in this Application Form and any personal information provided by me in the future will be used by NZ Funds and the Supervisor, and any related companies of these parties, together with my financial adviser, for administering the investment, including satisfying the requirements of the AML/CFT Act (this may include using my personal information for the purpose of electronic identity verification using various third party databases including the Department of Internal Affairs database). I understand my personal information may also be shared with relevant authorities including Inland Revenue. NZ Funds may also use my personal information to provide me with information about other products and services. I acknowledge that I have the right to access and correct this information.
- I authorise NZ Funds to disclose personal information to the Financial Markets Authority as may be required from time to time under the Financial Markets Conduct Act 2013 or any other law.
- If you are a US Person, NZ Funds may be required to provide certain information about your investment in the NZ Funds Managed Superannuation Service to Inland Revenue in order for NZ Funds to satisfy its obligations under the US Foreign Account Tax Compliance Act (FATCA)*. In accordance with the provisions of the FATCA regime, Inland Revenue may pass this information to the United States Internal Revenue Service.
- If you are a non-tax resident of New Zealand, NZ Funds may be required to provide certain information to Inland Revenue in order to satisfy its obligations under the Common Reporting Standards (CRS)*. In accordance with the provision of the CRS regime, Inland Revenue may pass this information to tax departments of other participating jurisdictions.
- **I agree to comply with the Common Reporting Standards (CRS) regulations which include agreeing to inform NZ Funds of any changes of tax residency status that apply to me within 30 days of the change.**
- I consent to NZ Funds communicating with me, and providing me with information, by electronic means (i.e. by email, as provided by me, and/or by providing me with a URL link, or with information through an electronic facility). These communications may include, but not be limited to, general correspondence, investment updates, and legally required communications or documents (including annual reports, annual member statements (confirmation information), and annual tax statements).
- I authorise NZ Funds to deduct units from my holding in the NZ Funds Managed Superannuation Service to fund any advice fees as agreed with my financial adviser.
- NZ Funds and the Supervisor are entitled to rely on my elected PIR for all investments I have made for this account.
- I acknowledge that NZ Funds has recommended I seek professional tax advice if I intend transferring funds directly from a UK pension scheme to the Service. I understand that this transfer may result in, among other things, the imposition of a UK tax liability (including, without limitation, an overseas transfer charge) or the adverse tax treatment of my UK pension funds.
- I acknowledge that if I am transferring funds direct from a UK pension scheme or any other foreign superannuation scheme to the Service, I may be liable to pay tax in New Zealand.
- I acknowledge that neither NZ Funds nor the Supervisor takes any responsibility for any tax consequences that may arise as a result of a transfer to, or withdrawal or transfer from, the Service.
- I acknowledge that the transfer of my UK pension funds is based on UK and New Zealand legislation that may change, and that neither NZ Funds nor the Supervisor have any control over such changes or the impact that the changes may have on my UK pension funds transferred to the Service.
- I understand that any UK pension funds transferred to the Service will be invested in the ROPS Class and that those funds, together with any investment returns, will be unavailable for withdrawal until the UK normal minimum pension age (currently age 55) unless I meet the ill health conditions under UK law.
- Where my interest in any UK pension scheme contains a guaranteed minimum entitlement or other protected rights, I understand that the Service does not provide the same degree of protection that would have applied to my investment had it remained in the UK pension scheme and that I will forfeit all protection associated with any Protected Rights funds that are transferred.
- I understand that my UK pension scheme provider or existing QROPS (as applicable) may charge me a fee for the transfer of my UK pension funds to the Service, and that this fee may be deducted by such provider from the funds being transferred. I understand that if I am transferring funds direct from a UK pension scheme (or from another QROPS denominated in GBP) then my funds will be converted from GBP to NZ dollars and the currency risk of this conversion is entirely my own.
- I acknowledge I may be liable to pay a UK overseas transfer charge if my circumstances change within the first five complete UK tax years following receipt of the transfer amount from the UK pension scheme. The amount of the charge may be up to 25% of the UK pension amount transferred. I agree to indemnify NZ Funds from any such charge. I acknowledge that NZ Funds may be required to deduct the charge from my investment in the Service and pay it to HMRC on my behalf.
- I agree to provide all information requested by NZ Funds in relation to any subsequent transfer or payment of my UK pension funds out of the Service and acknowledge that a failure to provide such information could result in the UK overseas transfer charge applying to the transfer.
- I understand that any withdrawals or transfers I make from the Service may result in an unauthorised payment charge and an unauthorised payments surcharge under UK law if the amount includes UK pension funds transferred:
 - before 6 April 2017 and I have not been a UK tax non-resident for five consecutive full UK tax years; or
 - on or after 6 April 2017 and I have not been a UK tax non-resident for ten consecutive full UK tax years and the UK pension funds have not been invested in a QROPS for five years.These unauthorised payment charges may be significant – up to 55% of the withdrawal or transfer amount.
- I irrevocably agree to provide NZ Funds and/or the Supervisor with all information it requests to enable it to report to HMRC and I irrevocably authorise NZ Funds to provide any personal and other information about me and my membership in the Service to HMRC (including, without limitation, details of any withdrawals or transfers I may make from the Service).
- **I understand the value of my investment in the NZ Funds Managed Superannuation Service can rise and fall depending on market conditions and other circumstances prevailing at the time, and that there is no promise or guarantee made by any person as to the performance of any investment or the return of any funds invested.**

* For further information regarding AML/CFT, FATCA and CRS please refer to our Compliance Guidance Note available on our website at www.nzfunds.co.nz.

Applicant's signature

Signature of member

Date

The Anti-Money Laundering and Countering Financing of Terrorism Act 2009 requires verification of identity of the applicant. Please ensure the relevant identity information on the following pages is completed in full.

Authorised Financial Adviser use only

I am an Authorised Financial Adviser authorised to provide financial adviser services in relation to this transaction and any initial advice fee and/or ongoing advice fee is:

- Authorised for deduction under an agreement with the member, and
- The amount of the fee or fees does not exceed the amount(s) specified in the agreement with the member.

Adviser name

Adviser FSP number

Adviser company

Adviser code

Adviser signature

Date

Identity verification

NZ Funds as a financial institution is required by law to collect identity and address information on its customers.

There are three ways to complete identity verification. The options are:

- 1a) Documentary identity verification, completed face-to-face by an Authorised Individual*; or
- 1b) Documentary identity verification, completed by a Trusted Referee; or
- 2) Electronic identity verification.

1a & 1b - Documentary identity verification

Identity information

In order to verify your identity, select and tick **ONE** of the ID combination columns below:

ID Combination 1	ID Combination 2	ID Combination 3
<input type="radio"/> NZ driver licence.	<input type="radio"/> NZ driver licence, OR	<input type="radio"/> Passport, OR
And ONE of the documents listed below:	<input type="radio"/> 18+ card.	<input type="radio"/> NZ firearms licence.
<input type="radio"/> Credit, debit or eftpos card (Including name and signature)	And ONE of the documents listed below:	
<input type="radio"/> Bank statement	<input type="radio"/> Full birth certificate	
<input type="radio"/> Government agency document (e.g. IRD correspondence)	<input type="radio"/> Citizenship certificate	

Residential address documentation

In order to verify your residential address, select and tick **ONE** of the options below. This document must be no more than three months old.

- | | |
|--|--|
| <input type="radio"/> Bank or financial institution statement | <input type="radio"/> Rates or house insurance document |
| <input type="radio"/> Utility document
(e.g. electricity, gas, water, landline telephone or Sky TV) | <input type="radio"/> Government agency document
(e.g. correspondence from IRD or an educational institution) |

For persons under 18 years of age

- Should the identity information options above be unavailable, a birth certificate or student card are acceptable.
- Should the residential address documentation options be unavailable, proof of the address of the parent(s) or guardian(s) that the minor resides with is acceptable.

Exception handling procedures

Where an individual is unable to supply documents as detailed previously, please contact the Administration Manager on 0800 693 5494 or by email to nzfkiwi@linkmarketservices.co.nz.

1a - Documentary identity verification completed face-to-face by an Authorised Individual*

- Authorised Individual* has sighted the original documents selected above, each of which represents the identity (ie, name, date of birth, and residential address) of the named individual. Please ensure copies of the selected documents are attached to this form.

1b - Documentary identity verification, completed by a Trusted Referee

A Trusted Referee must be:

- at least 16 years of age; and
- not related, spouse or partner, living at the same residential address or involved in the transaction or business; and
- one of the following (please select and tick):

- | | | |
|---|--|--|
| <input type="radio"/> Commonwealth representative | <input type="radio"/> Member of the police | <input type="radio"/> Justice of the Peace |
| <input type="radio"/> Registered medical doctor | <input type="radio"/> Kaumātua | <input type="radio"/> Registered teacher |
| <input type="radio"/> Minister of religion | <input type="radio"/> Lawyer | <input type="radio"/> Notary Public |
| <input type="radio"/> New Zealand Honorary Consul | <input type="radio"/> Member of Parliament | <input type="radio"/> Chartered accountant |
| <input type="radio"/> A person who has legal authority to take statutory declarations | | |

Note: document certification must occur no earlier than three months prior to the date of presentation.

Name

I, , Trusted Referee,

- have sighted the original documents selected above, each of which represents the identity (i.e., name, date of birth and residential address) of the named individual; and
- have signed copies of those documents and attached these to this form; and
- confirm that the copies of those documents attached are true copies of the original documents of the above named individual sighted by me today.

Signature of Trusted Referee

Date

2 - Electronic identity verification

- Authorised Individual* has ensured an Electronic Verification certificate has identified and verified the named individual and a copy of that certificate is attached to this form.

Identity verification by an Authorised Individual*

Name

I, , Authorised Individual,
have verified client identity information as is required by the Anti-Money Laundering and Countering Financing of Terrorism Act 2009.

Signature of Authorised Individual*

Date

* Authorised Individual refers to a person listed on the NZ Funds 'Register of Individuals Authorised to perform CDD'.

NZFUNDS

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