

# WHAI RAWA UNIT TRUST

OTHER MATERIAL INFORMATION



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2 October 2019

**WhaiRawa** NGĀI TAHU



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# **1. DETAILS OF THE SCHEME**

## **Year and Place of Establishment of the Scheme**

Whai Rawa Unit Trust (“Whai Rawa” or “Scheme”) commenced accepting members in September 2006. The Scheme was established on 6 June 2006 in Christchurch, New Zealand.

# **2. PERSONS INVOLVED**

## **The Manager**

Whai Rawa Fund Limited (“WRFL” or “Manager”) is the manager of the Scheme. It is wholly owned by Te Rūnanga o Ngāi Tahu.

## **Our Directors**

The WRFL Directors each bring different industry knowledge and experience as follows:

- **Fiona Pimm** (Kāti Huirapa)  
Fiona is the Chair of Whai Rawa and has been a member of the WRFL board since 2014. Fiona has worked in the health sector for over 30 years originally as a Nuclear Medicine Technologist and then moving into health service management. She has extensive health sector networks across Aotearoa. Fiona also has many years’ experience in governance roles and is currently on the Board of several education and workforce training organisations, the NZ Parole Board, and was appointed Te Rūnanga Representative for Arowhenua Rūnaka in June 2019. Fiona holds a Postgraduate Diploma in Public Health from the University of Otago, an MBA from Massey University and a Diploma in Applied Science, Nuclear Medicine from Royal Melbourne Institute of Technology (RMIT).
- **Paul Mersi**  
Paul is an independent company director and also consults on strategic, regulatory, and governance matters. He is a member of the Financial Advice Code Working Group and has previously been a director of Brook Asset Management, Wellington Regional Development Agency, and the Chair of Grow Wellington. Paul was a senior Financial Services & Tax Partner at PricewaterhouseCoopers, advising large local businesses and multinationals, predominantly in the finance sector (fund managers, banks, life insurers) as well as being closely involved with major regulatory reform in the tax and performance disclosure fields. Paul has a BCA in Economics from Victoria University of Wellington, and is of Italian, Greek, and Cypriot descent.
- **Clare Murray**  
Clare has a legal and financial services background. She was a solicitor with Clifford Chance in London involved in international capital markets transactions. Since moving to New Zealand in 2004, she has played an integral role in the development of Murray & Co (investment banking firm), in particular implementing and overseeing the compliance framework of the firm. Clare is a former Chair of the Christchurch Arts Festival and is currently on the Board of the New Zealand Symphony Orchestra. She holds a Master of Arts from Oxford University, completed Law Society Finals at De Montfort University and is a Chartered Member of the Institute of Directors.

- David Woods**

David has served on the Boards of a number of financial services and financial technology companies in Europe including, Rasmala Holdings and the European Institute for Interdisciplinary Research. His most recent role was as Managing Director of Oikocredit International, a large financial organisation based in the Netherlands. Oikocredit International has over 50,000 shareholders and offices in 40 countries whose governance places a strong emphasis on investor impact and social returns. David also brings extensive change management, organisational re-engineering, people development experience and a strong interest in human capital risk and succession planning to our board. David has recently moved to New Zealand, is of Irish descent and a graduate of Harvard University.
- Anthony Bow**

Anthony has over 25 years of banking, finance and taxation experience and has been a Chief Executive Officer, business unit leader, advisor and auditor. He has broad commercial expertise including in sales, operations, and mergers and acquisitions. Anthony is Principal of Waimana Capital, a business strategy and expansion capital firm focused on growth and scalable businesses. Anthony's governance roles include Chair and Trustee of Bill McKinlay Park Trust and lay member of the Medical Radiation Technologists Board. Anthony has a Bachelor of Commerce from the University of Auckland and holds Chartered Accountant designation from the professional accounting bodies of Aotearoa and Singapore. He is a second generation New Zealander, born and bred in Rotorua and is of Chinese descent.
- Liam Stoneley (Kāti Huirapa)**

Ko Aoraki te mauka, ko Waitaki te awa, ko Takitimu te waka, ko Kai Tahu te iwi. Ko Romia rāua ko Peneamine Te Kihī kā tīpuna. Ko Waihao, Tuahiwi me Moeraki kāmarae. Ko Heath te ikoa whānau. Liam is the Tribal Representative on the Board and has been a member of Whai Rawa since its inception. He is a corporate solicitor, providing commercial legal advice to iwi, hapū, Māori landowners and Māori businesses. He is also a director on Te Rūnanga o Waihao Holdings Limited, his marae charitable holding company. Liam holds a Bachelor of Laws and a Bachelor of Arts in te reo Māori; he is fluent in te reo. He has previously been a Matakahi Cadet, is an Aoraki Bound alumni and a recipient of the prestigious Agria-Hoaka Scholarship to China.

#### **No bankruptcy / insolvency**

Neither WRFL nor any of its directors have within the last ten years been adjudged bankrupt or insolvent, convicted of any crime involving dishonesty, or been prohibited from acting as a director of a company.

#### **Administration Manager**

WRFL outsources administration of the Scheme to Mercer (N.Z.) Limited. Its address is:

Mercer (N.Z.) Limited  
 Level 18, 151 Queen Street  
 Auckland

#### **Underlying Fund Manager**

The Scheme is currently invested in Mercer Investment Trusts New Zealand's ("MITNZ") Socially Responsible Conservative Portfolio managed by Mercer (N.Z.) Limited ("Mercer").

The functions performed by Mercer in relation to the Scheme's funds invested in MITNZ and how it will perform these are outlined in a service level agreement between WRFL and Mercer. Mercer's address is:

- Mercer (N.Z.) Limited  
Level 18, 151 Queen Street, Auckland

### **Operations**

WRFL outsources its general day to day operations, including membership facilitation, contact centre and other member facing services, promotions and marketing to Te Rūnanga o Ngāi Tahu.

### **Supervisor**

The Supervisor of the Scheme is Trustees Executors Limited ("Supervisor"). It holds the Scheme's investments via its wholly owned subsidiary T.E.A Custodians Limited. The Supervisor has been granted a full licence under the Financial Markets Supervisors Act 2011 to act as a specified managed funds supervisor.

Further information on the Supervisor's licence is publicly available on the FMA's website ([www.fma.govt.nz](http://www.fma.govt.nz)) and also on the Financial Service Providers Register website (<https://fsp-register.companiesoffice.govt.nz>). The Supervisor's address is:

- Trustees Executors Limited  
Level 7, 51 Shortland Street  
Auckland 1140

The Directors of the Supervisor are:

- Sarah Roberts (Chair), LLB (Hons)
- Matthew Sale, BCom (Marketing); DipGrad (Finance)
- Mark Darrow, C.A, B.Bus, Accounting, Business

### **Extent to which the Supervisor is indemnified by the Scheme**

The Supervisor is indemnified from the Scheme against any debt, action taken or omitted, or liability incurred on behalf of the Scheme, except to the extent that liability arises from its wilful default or wilful breach of trust. In respect of the Scheme's affairs, the Supervisor and the Manager act in a representative capacity for Members and have no personal liability.

The Supervisor and the Manager (as the case may be) are entitled to be reimbursed from the Scheme in the event that they are held personally liable for any direct or indirect expense, loss, cost or liability incurred by or on behalf of the Scheme. None of the Supervisor, the Manager, or any other party guarantees either the repayment of any contributions or units or the payment of any earnings on the units.

### **Auditor**

Deloitte has been appointed auditor of the Scheme.

## Lawyers

WRFL has arrangements in place with Kensington Swan lawyers. WRFL also has arrangements in place with Colin Biggers & Paisley lawyers in Australia.

## **3. MEMBERSHIP/JOINING THE SCHEME**

### **Membership**

WRFL will accept applications from anybody who is resident in New Zealand or Australia and is registered as a Tribal Individual with Te Rūnanga o Ngāi Tahu. A person who is not yet a Registered Tribal Individual but has applied for registration can apply to become a Provisional Member of the Scheme provided that person complies with Te Rūnanga o Ngāi Tahu's terms of approval as outlined further below. As the Scheme is a multirate PIE, if a person does not provide their New Zealand IRD number or overseas equivalent tax file number within six (6) weeks of applying, we will not be able to accept that application:

- (a) as a Participating Member provided that he or she is less than 65 years old at the date of entry as a Member; or
- (b) as an Elective Member (being a Member who has attained the age of 65 years).

A Participating Member who has attained the age of 65 years may elect to remain a Member as an Elective Member.

The Scheme's Trust Deed permits a person or group of persons other than a Registered Tribal Individual to become a Member if approved by Te Rūnanga o Ngāi Tahu and subject to Te Rūnanga o Ngāi Tahu's terms of approval. Te Rūnanga o Ngāi Tahu has agreed to approve a person who is not a Registered Tribal Individual to become a Provisional Member on the following terms of approval:

- (a) As at the date and time of applying to become a Provisional Member, the person must:
  - (i) have applied to Te Rūnanga o Ngāi Tahu to become a Registered Tribal Individual ("Tribal Application") and not been rejected; and
  - (ii) be able to satisfy the eligibility criteria of a Participating Member or Child Member if and when the person is confirmed as a Registered Tribal Individual.
- (b) Provided the person has complied with the above terms of approval, the person will become a Provisional Member once the Manager confirms the person's membership in the Scheme ("Provisional Member Confirmation Date").
- (c) If the Provisional Member's Tribal Application is rejected or the Provisional Member's Tribal Application is neither accepted nor rejected within 12 months of the Provisional Member Confirmation Date, then the Provisional Member will immediately cease to be a Member. Upon the Provisional Member ceasing to be a Member, the Member will be entitled to receive all amounts held in the Provisional Member's Account.

- (d)** If the Provisional Member's Tribal Application is accepted within 12 months of the Provisional Member Confirmation Date and provided the Provisional Member still satisfies the eligibility criteria of a Participating Member or Child Member, the Provisional Member will become a Child Member or a Participating Member (as applicable) as at the date of acceptance and the Manager will confirm (in writing) the relevant Member's membership as a Child Member or a Participating Member shortly after ("Full Membership Confirmation Date").
- (e)** A Provisional Member cannot receive transfers from other Members.
- (f)** A Provisional Member cannot make a Withdrawal other than a Ceasing Member Withdrawal or a Withdrawal on Death.
- (g)** A Provisional Member is not entitled to Matched Savings nor Distributions.
- (h)** Immediately following the Full Membership Confirmation Date, the Manager will establish the Member's Account and, on 31 March following the Full Membership Confirmation Date, the Manager will allocate to the relevant Member:

  - (i)** Subject to paragraph (ii) below, Matched Savings, in respect of each Calendar Year from the Provisional Member Confirmation Date to the Full Membership Confirmation Date based on the value of the Member's Account in the relevant Calendar Year, that the Member would otherwise have been entitled to had the Full Membership Confirmation Date been the same as the Provisional Member Confirmation Date. The Matched Savings will be allocated to the Member's Account:

    - (1)** at the same rate as that which Te Rūnanga o Ngāi Tahu agreed to contribute to the Scheme in the relevant Calendar Years for the purposes of matching the savings of the relevant Member class in the relevant Calendar Years; and
    - (2)** on the same terms and conditions under which Te Rūnanga o Ngāi Tahu agreed to match the savings of the relevant Member class in the relevant Calendar Years.
  - (ii)** Distributions, for the Calendar Years preceding the Full Membership Confirmation Date that the Member would otherwise have been entitled to had the Full Membership Confirmation Date been the same as the Provisional Member Confirmation Date. The Distributions will be allocated to the Member's Account:

    - (1)** based on the amount Te Rūnanga o Ngāi Tahu agreed to contribute to the Scheme in the relevant Calendar Years in respect of each Member of the relevant Member class; and
    - (2)** on the same terms and conditions under which Te Rūnanga o Ngāi Tahu agreed to contribute to the Scheme in respect of each Member of the relevant Member class.
  - (iii)** Matched Savings in respect of funds saved and standing to credit in the Member's Account in the Calendar Year in which the Full Membership Confirmation Date falls

(irrespective of whether the money was saved before the Full Membership Confirmation Date) will be allocated to the Member as if the Full Membership Confirmation Date had occurred on the last day of the preceding Calendar Year.

- (iv)** Distributions to be made in respect of the Calendar Year in which the Full Membership Confirmation Date falls will be allocated to the Member as if the Full Membership Confirmation Date had occurred on the last day of the preceding Calendar Year.

Te Rūnanga o Ngāi Tahu, and any related entity of Te Rūnanga o Ngāi Tahu, is eligible to join the Scheme as a Corporate Member.

Where a person who is eligible to join the Scheme is a minor or lacks legal capacity to join, that person's legal representative may complete an application form and participate in the Scheme, on that person's behalf.

The Manager, unless otherwise directed by Te Rūnanga o Ngāi Tahu, may at its discretion, and will at Te Rūnanga o Ngāi Tahu's direction, refuse to accept any application and will not be required to give any reason or ground for such refusal.

The Manager may decline an application where the Manager has reason to believe that accepting the application would be in breach of the laws of any jurisdiction.

The Manager may, with Te Rūnanga o Ngāi Tahu's prior approval, create different classes of Members and offer Members different withdrawal options within the Scheme as it determines.

When an application is accepted the Member can invest in the Scheme by purchasing units in the Scheme. The Manager will issue certificates to the Member if the Manager is required to do so by law, but if issued, those certificates will not constitute evidence of title. Certificates are not currently issued in respect of the Scheme. A Member will cease to be a Member if the Member:

- (a)** ceases to be a Registered Tribal Individual (other than by voluntary de-registration), provided the Member joined the Scheme as a Registered Tribal Individual;
- (b)** in the case of a person who obtained express approval by Te Rūnanga o Ngāi Tahu to become a Member (including a Provisional Member), breaches the terms of that approval;
- (c)** passes on;
- (d)** after attaining the age of 65 years, does not elect to remain in the Scheme as an Elective Member;
- (e)** has a nil Balance in his or her Account and no contributions are made to the Member's Account for at least 12 months (with Member consent);
- (f)** has a nil Balance in his or her Account for more than 3 years; or

- (g) in the case of a Corporate Member, the Member notifies the Manager that it wishes to close its Account.

Please refer to the Glossary for definitions of the different types of Members.

## **4. CONTRIBUTIONS**

The Manager may set and alter minimum contribution amounts from time to time. Currently there is no minimum contribution amount set by the Manager.

### **Member Savings**

A Member can contribute to the Scheme at any time. The Manager may from time to time specify:

- (a) the mechanisms by which a Member can contribute savings into the Scheme;
- (b) the minimum amounts of any single contribution a Member can contribute into the Scheme; and
- (c) the maximum number of contribution transactions a Member is permitted in any one Calendar Year.

### **Member's Matched Savings**

Te Rūnanga o Ngāi Tahu may from time to time contribute to the Scheme by matching Members' savings in a Calendar Year, ("Matched Savings"), and the terms and conditions on which Te Rūnanga o Ngāi Tahu may wish to match Members' Savings (including the age of eligibility for the Matched Savings) ("Conditions"), may differ as between Calendar Years. In a Calendar Year, these Conditions may differ as between each class of Member and as between Members within a class.

If Te Rūnanga o Ngāi Tahu wishes to contribute Matched Savings in a Calendar Year ("Qualifying Calendar Year"), Te Rūnanga o Ngāi Tahu is required to notify the Manager at least 3 months before the start of the Qualifying Calendar Year of the applicable Matched Savings amount and the Conditions. The Manager is then required to notify the Members of the Matched Savings amount and the Conditions before the start of the Qualifying Calendar Year.

Te Rūnanga o Ngāi Tahu must pay the Matched Savings to the Manager no later than 31 March in the year following the Qualifying Calendar Year (or as otherwise agreed between Te Rūnanga o Ngāi Tahu and the Manager). The Manager will credit the Matched Savings payable to the relevant Member's Account in accordance with the Conditions.

A Provisional Member is not entitled to Matched Savings or Distributions while he or she remains a Provisional Member. However, once the Provisional Member becomes a Child or Participating Member upon being confirmed as a Registered Tribal Individual the Manager will allocate to the Member the Matched Savings and Distributions which the Member

would otherwise have been entitled had the Member been confirmed as a Child or Participating Member on the date the Member became a Provisional Member.

### **Te Rūnanga o Ngāi Tahu Distributions**

Te Rūnanga o Ngāi Tahu may from time to time contribute to the Scheme sums in addition to Matched Savings ("Distribution"), subject to the final paragraph in this section below. Te Rūnanga o Ngāi Tahu will notify the Manager of:

- (a) the Distribution process;
- (b) the amount Te Rūnanga o Ngāi Tahu may wish to contribute to the Scheme; and
- (c) the terms and conditions on which Te Rūnanga o Ngāi Tahu may wish to contribute including the age of eligibility for the Distribution.

The Manager will then notify Members of the Distribution amount and the Conditions. The Distribution process, the Distribution amount and the Conditions may differ as between Calendar Years and in a Calendar Year may differ as between each class of Member and as between Members within a class. Te Rūnanga o Ngāi Tahu will pay the Distribution to the Manager as agreed between Te Rūnanga o Ngāi Tahu and the Manager.

The Manager will credit the Distribution payable to the relevant Member's Account in accordance with the Conditions.

### **Third Party Contributions**

Any person may make contributions to the Scheme for a Member's benefit. The Manager may from time to time specify:

- (a) the mechanisms by which such contributions can be contributed to the Scheme;
- (b) the minimum amounts of any single contribution which can be contributed to the Scheme;
- (c) the maximum number of contribution transactions permitted in any one Calendar Year.

### **Contributions by way of Transfer**

Any Member can transfer any or all of the value in the Member's Account to any other Member (other than to a Provisional Member), provided that:

- (a) any amount transferred is transferred to the transferee Member's Account;
- (b) no amount transferred to the transferee Member's Account is entitled to any Matched Savings; and
- (c) the Manager can decline to register any transfer where the transfer will be made to a Member who is, at the time of the transfer, entitled to make a Withdrawal or where the Manager considers, in its discretion, that the transfer may be being made to a Member who may be able to apply for a Withdrawal, for the purpose of defeating the

restrictions on Withdrawals. Provisional Members cannot receive transfers from other Members.

#### **Elective Members have No Entitlement to Te Rūnanga o Ngāi Tahu Contributions**

A Member who is an Elective Member on the last day of a Calendar Year and any person who voluntarily deregisters as a Registered Tribal Individual in any Calendar Year is not entitled to any Matched Savings or Distributions.

## **5. ACCOUNTS**

The Manager will establish and maintain an Account in the name of each Member that is divided into units, comprising:

- (a)** any deposit or contribution made by the Member, or his or her legal representative, or the Corporate Member (as the case may be);
- (b)** any deposit or contribution made by any person other than the Member for the benefit of the Member;
- (c)** any amounts transferred from another Member;
- (d)** any Distributions and Matched Savings;
- (e)** any distributions made by the Manager from the Reserve Account; and
- (f)** any Withdrawal paid to or on behalf of the Member which is properly made from the Member's Account.

The Manager will hold a Reserve Account which is divided into units and credited or debited with:

- (a)** an initial contribution \$10.00;
- (b)** unclaimed benefits and amounts forfeited to the Scheme;
- (c)** All other amounts received or held in the Scheme not allocated to Members' Accounts, and which in the opinion of the Manager (whose decision shall be final) are not immediately required for the payment of benefits to Members;
- (d)** any unclaimed monies that can properly be paid to external parties;
- (e)** any amount previously allocated to a Member's Account that the Manager has determined cannot properly be allocated to a Member's Account;
- (f)** meeting any expenses of the Scheme; and
- (g)** any other amounts that can properly be credited or debited to the Reserve Account.

## **6. WITHDRAWALS**

### **Housing Withdrawal**

A Member can apply for, and the Manager may approve, a Housing Withdrawal, being a Withdrawal from the Member's Account for the purposes of home ownership. The Manager may approve the payment and amount of a Housing Withdrawal if all of the following conditions are satisfied:

- (a)** the Housing Withdrawal will be used for the purposes of home ownership;
- (b)** the Member does not own your own home and, unless the Manager agrees otherwise, have not previously owned their own home;
- (c)** the Member has secured finance or have other finance available to complete the purchase of a home;
- (d)** the Member intends to reside in the home upon purchase;
- (e)** a valid sale and purchase agreement is in place or will be put in place once the Housing Withdrawal is approved;
- (f)** the Member has not previously received a Housing Withdrawal;
- (g)** the Member is not a Child Member or a Corporate Member; and
- (h)** the amount of the Housing Withdrawal is not greater than the total balance in the Member's Account.

The Manager can, at its discretion, modify or waive any of the above conditions (other than (c), (g) and (h)) in special circumstances provided the Manager is satisfied the overall intent of the Housing Withdrawal is to enable the Member to enter into owner/occupier home ownership. A Provisional Member cannot make a Housing Withdrawal.

### **Education Withdrawal**

A Member can apply for, and the Manager may approve, an Education Withdrawal, being a withdrawal from the Member's Account for the purposes of financing tertiary education. The Manager may set out guidelines from time to time for assessing whether or not a course qualifies for the purposes of the Education Withdrawal. The Manager may approve the payment and amount of an Education Withdrawal if all of the following conditions are satisfied:

- (a)** the Education Withdrawal is used for the purpose of tertiary education;
- (b)** the Education Withdrawal is being paid on completion of a genuine NZQA tertiary approved (or overseas equivalent) course of study and the Education Withdrawal will be applied to repay or reduce the Member's Student Loan or, if the Manager in its discretion agrees, will be applied to fees paid to a tertiary institution in pursuing tertiary education provided the Manager is satisfied such fees have not been subsidised or reimbursed from any other source; or

- (c) the Education Withdrawal will be applied to meet costs, fees and/or expenses related to tertiary education provided the Manager is satisfied in its sole opinion that funds to meet these costs, fees and/or expenses are not otherwise reasonably available to the Member while the Member is undertaking the course of study;
- (d) the Member is not a Child Member; and
- (e) the amount of the Education Withdrawal is not greater than the total balance of the Member's Account.

The Manager may, at its discretion, modify or waive any of the above conditions (other than (d) and (e)) in special circumstances provided the Manager is satisfied that the overall intent of the Education Withdrawal is the pursuit of tertiary education. A Provisional Member cannot make an Education Withdrawal.

### **Retirement Withdrawal**

A Member can apply for, and the Manager may approve, a Retirement Withdrawal, being a withdrawal from the Member's Account for the purposes of retirement. The Manager may specify minimum amounts and limits on the number of withdrawals a Member can make in any Calendar Year (currently a maximum of two Retirement Withdrawals each Calendar Year) for Retirement Withdrawals. Otherwise, the Manager will approve the payment of a Retirement Withdrawal if all of the following conditions are satisfied:

- (a) the Member is aged 55 or over; and
- (b) the amount of the Retirement Withdrawal is not greater than the total balance of the Member's Account.

The current minimum amount for a Retirement Withdrawal is \$500 or the total amount of the Member's Account, whichever is less. The Manager may, at the request of a Member, set up an automatic payment system for the payment of Retirement Withdrawals to the Member provided the conditions and specifications under the sub-heading Retirement Withdrawal are met. Each payment instalment must be at least \$50 per month. Each Member aged 55 or over is always entitled to make at least one Retirement Withdrawal each Calendar year. A Provisional Member cannot make a Retirement Withdrawal.

### **Withdrawal on Death**

The Manager will pay a Withdrawal on Death upon the death of a Member. The full amount of the Member's Account will be paid to the Member's estate on receipt of such evidence of entitlement and form of discharge as the Manager sees fit.

### **Special Circumstances Withdrawal**

A Member can apply for, and the Manager may approve, a Special Circumstances Withdrawal, being a withdrawal from the Member's Account where the Manager is satisfied that special circumstances (including but not limited to significant financial hardship as set out in Rule 11 of the KiwiSaver Rules under the KiwiSaver Act 2006) exist on the part of the Member. A Provisional Member cannot apply for a Special Circumstances Withdrawal.

## **Corporate Member Withdrawal**

A Corporate Member can apply for a Corporate Member Withdrawal, being a withdrawal of part or all of the amounts held in the Corporate Member's Account. The Manager will approve the Corporate Member Withdrawal provided the remaining balance in the Corporate Member's Account will be no less than zero.

## **Provisional Members**

Provisional Members cannot make a Withdrawal other than a Ceasing Member Withdrawal in the circumstances described below or a Withdrawal on Death.

## **Ceasing Member Withdrawal**

If a Member ceases to be a Member, and the Member is not otherwise entitled to any other Withdrawal, the Member is entitled to receive all amounts held in his or her Account by way of a Ceasing Member Withdrawal. Particularly, Provisional Members whose Tribal Application has been rejected or whose Tribal Application has neither been accepted nor rejected within 12 months of the Provisional Member Confirmation Date, are entitled to receive all amounts held in the Provisional Member's Account, by way of a Ceasing Member Withdrawal subject to any Withdrawal Suspension Notice.

## **Manager Discretion**

The Manager may, with Te Rūnanga o Ngāi Tahu's approval, introduce new Withdrawals for Members, or a certain class of Members from time to time.

## **Suspension of Withdrawals**

If by reason of:

- (a) a decision to terminate one or more Portfolios; or
- (b) the suspension of trading on any exchange (whether generally or in respect of a specific investment); or
- (c) financial, political or economic conditions applying in respect of any financial market; or
- (d) the nature of any investment; or
- (e) Any other circumstance or event relating to the Scheme or generally,

the Manager in good faith forms the opinion that it is not practicable, or would be materially prejudicial to the interests of Members generally, for the Manager to give effect to any request for a Withdrawal, then the Manager may give a notice ("Withdrawal Suspension Notice") to that effect to the Member who wishes to make a Withdrawal. Such Notice has the effect of suspending the operation of all Withdrawal requests until such time as the Manager gives to the Members who made Withdrawal requests notice that the Withdrawal Suspension Notice is cancelled. A suspension may last up to 90 days and may be extended with the Supervisor's consent. There is no limit on the period by which the suspension may be extended with Supervisor's consent.

## **7. FEES & EXPENSES**

The Scheme's costs and expenses include:

- (a)** A Supervisor fee as agreed with the Manager from time to time. In addition, the Supervisor is entitled to charge special fees for services of an unusual or onerous nature outside the Supervisor's regular services.
- (b)** Reimbursement to the Supervisor of all expenses, costs or liabilities incurred by it in the course of acting as supervisor.
- (c)** The Manager is entitled to be reimbursed for all costs and expenses (plus GST if any) it incurs for undertaking the Manager's functions specified in the Trust Deed. Such costs and expenses include:
  - (i)** all costs and expenses in promoting and administering the Scheme;
  - (ii)** all costs, charges and expenses including legal fees incurred in connection with any amendments to the Trust Deed and the acquisition or dealing with investments;
  - (iii)** the fees and expenses of the auditor and solicitors to the Manager;
  - (iv)** the cost of convening and holding any Member meetings; and
  - (v)** all expenses in connection with the keeping of the Disclose register and the preparation and printing of certificates, accounts, distribution statements and cheques.

For as long as its only function is to act as Manager of the Scheme, the Manager may also be reimbursed for all of its proper costs and expenses (plus GST if any). There is no limit on the amount of these costs; however, the Manager will only be reimbursed for expenses incurred and will not operate to make a profit (although this is an option available to the Manager in accordance with the Trust Deed). The Manager's costs and expenses are currently paid by Te Rūnanga o Ngāi Tahu.

- (d)** Administration Manager's fees: The Administration Manager is responsible for providing administration and registrar services to the Scheme. The Administration Manager is paid a fee for these services from the Scheme as agreed with the Manager. The Administration Manager's fees are currently being paid by Te Rūnanga o Ngāi Tahu.
- (e)** Underlying Fund Manager's fees: The Underlying Fund Manager is responsible for managing the underlying fund in which the Scheme is invested (being the Socially Responsible Conservative Portfolio within MITNZ). The Underlying Fund Manager is paid a fee from the Scheme for fund management services in relation to the MITNZ Socially Responsible Conservative Portfolio as agreed with the Manager. This fee is included in the fee's description in section 5 of the Product Disclosure Statement. The Underlying Fund Manager is also entitled to recover expenses incurred in managing the MITNZ Socially Responsible Conservative Portfolio. There is no limit on the amount of expenses that can be recovered, but based on past years, the expenses received from the Scheme's investment in the MITNZ Socially Responsible Conservative Portfolio are not

expected to exceed 0.08% per annum of the Scheme's net asset value, including any underlying performance fees.

- (f) Auditors' fees: The Manager and Supervisor are entitled to reimbursement of expenses incurred in respect of the Scheme (including payment of custodian fees and expenses). There is no limit on the amount of these expenses.
- (g) Basis for estimated annual fund charges in the PDS: The portion of the annual fund charge that is estimated (comprising the expenses incurred by the underlying Fund Manager in operating the MITNZ Socially Responsible Conservative Portfolio) is based on the maximum expense estimation (including any underlying performance fees) provided by the Underlying Fund Manager, having regard to the most recent relevant financial statements.

## **8. TAX**

The following information is based on current laws and their interpretation. Tax legislation, its interpretation and rates of tax may be subject to change. The impact of taxation may vary depending on a Member's individual circumstances; therefore, it is recommended that Members seek professional tax advice appropriate to their circumstances where necessary.

### **Tax on Te Rūnanga o Ngāi Tahu Contributions**

The Retirement Scheme Contributions Tax ("RSCT") rules, subject to on-going compliance with Inland Revenue requirements, apply to contributions made by Te Rūnanga o Ngāi Tahu (whether Matched Savings or Distributions). Under these rules Te Rūnanga o Ngāi Tahu contributions are treated as a Member's taxable income but have RSCT withheld at the rate each Member declares to Te Rūnanga o Ngāi Tahu.

The applicable RSCT rates for contributions made to Members are:

- (a) 10.5% if the Member's taxable income (other than PIE income) did not exceed \$14,000 in either of the two income tax years immediately before the income tax year in question, and the Member has elected this rate and provided their IRD number;
- (b) 17.5% if the Member does not qualify for the 10.5% rate, and their taxable income (other than PIE income) was more than \$14,000 but did not exceed \$48,000 in either of the two income tax years immediately before the income tax year in question, and the Member has elected this rate and provided their IRD number;
- (c) 30% if the Member does not qualify for the 10.5% or 17.5% rates, and their taxable income (other than PIE income) was more than \$48,000 but did not exceed \$70,000 in either of the two income tax years immediately before the income tax year in question, and the Member has elected this rate and provided their IRD number; or
- (d) 33% for all other Members who do not fall into any one of the above categories.

References to an "income tax year" in the above requirement are to years ending 31 March.

If you are a resident Member and do not supply your IRD number and RSCT rate, you will be taxed at the default RSCT rate of 33%.

If you identify yourself as non-resident and provide an IRD number or overseas equivalent tax file number and you receive a gross contribution (including Māori Authority Credits) of \$200 or less, RSCT will be withheld at a rate of 10.5%. If you are a non-resident member outside these categories, you will be taxed at the default RSCT rate of 33%.

The RSCT liability is reduced by the amount of Māori Authority Credits attached to the contribution.

Contributions made by Te Rūnanga o Ngāi Tahu (whether Matched Savings or Distributions) will generally have Māori Authority Credits attached to them at 10.5% which can be used to offset the RSCT liability.

## **Tax**

The Scheme is a Portfolio Investment Entity ("PIE").

As a PIE, the Scheme's taxable income (or losses) is allocated between the Members based on the value of the units held by the Members. The Manager calculates the tax payable by the Scheme in respect of the income so allocated, having regard to each Member's notified Prescribed Investor Rate ("PIR"). The Manager will adjust Members' interests to reflect the tax payable or creditable by the Scheme in respect of the income allocated to the Members.

There are four PIRs available:

- (a)** 10.5% applies to a New Zealand resident Member if the Member's taxable income (other than PIE income) did not exceed \$14,000, and the Member's combined taxable income and PIE income did not exceed \$48,000 in either of the two income tax years immediately before the income tax year in question, and the Member has elected this rate, and provided their IRD number;
- (b)** 17.5% applies to a New Zealand resident Member if the Member does not qualify for the 10.5% rate and their taxable income (other than PIE income) did not exceed \$48,000, and the Member's combined taxable income and PIE income did not exceed \$70,000, in either of the two income tax years immediately before the income tax year in question, and the Member has elected this rate, and provided their IRD number;
- (c)** 28% applies to all other individuals and non-residents, including those who have elected this rate; or
- (d)** 0% applies to Corporate Members and other special classes of Members (such as unit trusts, other PIEs and charities).

If a Member has recently become a New Zealand tax resident (including if he or she is a returning New Zealander who has previously lost their New Zealand tax residency) the Member must have regard to their worldwide income, rather than just their New Zealand taxable income, in determining the applicable PIR (unless he or she reasonably expects that their New Zealand taxable income in the relevant year will be significantly lower than their

total worldwide income in the income year immediately before the year in which he or she becomes a New Zealand tax resident).

A Member can determine their PIR, by going to [www.ird.govt.nz/toii/pir](http://www.ird.govt.nz/toii/pir). If a Member is unsure of his or her PIR, it is recommended the Member seek professional advice or contact Inland Revenue.

### **Tax obligations of Members**

Each Member will be required to provide the Manager with their IRD number and advise the correct PIR to use. The Members will also need to advise the Manager if their PIR changes. If a Member does not advise the Manager of his or her PIR and / or IRD number, the Manager will calculate the tax liability on income allocated to that Member using the 28% default PIR.

Since 1 April 2018, the Manager has been required to exit new Members from the Scheme if they do not provide the Manager with their IRD number within six weeks of opening an account with the Scheme. Accordingly, the Manager has made the decision not to complete applications from individuals if they do not provide their IRD number or overseas equivalent tax file number within six weeks of applying for membership.

The tax paid on income allocated (other than income allocated to Members who have a 0% PIR) will generally be a final tax, so no obligation to file a tax return for each Member's investment in the Scheme will generally arise. However, if a Member's correct PIR changes and the change is not advised, or if that Member provides a lower PIR than applicable, the Member will be personally liable to pay any resulting tax shortfall including penalties and interest and may be required to file a tax return.

Tax will be paid annually by the Scheme based on each Member's PIR, to the extent tax has not already been paid on a withdrawal during the year. The value of a Member's Account will be adjusted to reflect the tax liability allocated to each Member's Account.

If a Member withdraws from the Scheme (either in part or full), the Manager will deduct the tax payable from the value of the Member's interest that is withdrawn from the Scheme.

### **Australian tax residents**

The comments provided in this section 8 of the document relate to the impact of New Zealand tax on New Zealand tax residents. The taxation treatment of financial products in Australia is different. If you are an Australian tax resident, we recommend that you take advice from a suitably qualified tax adviser.

## **9. RISKS**

### **Key Risk Factors**

All investments carry risk. There are risks associated with the Scheme that could affect a Member's ability to recover the amount of their contributions or which impact on the benefits payable from the Scheme as described in this document. The Scheme is currently invested in the MITNZ Socially Responsible Conservative Portfolio.

Accordingly, the risks associated with investing in the Scheme are largely correlated with the risks arising out of investing in that Portfolio. The principal risks applying to the Scheme that could affect returns (and which are common to most managed investment schemes generally) are:

- (a) market risk;
- (b) interest rate risk;
- (c) future economic and investment market conditions;
- (d) manager of manager's risk;
- (e) investment class risk;
- (f) investment counterparty credit risk;
- (g) currency risk;
- (h) derivatives risk;
- (i) liquidity risk;
- (j) regulatory risk;
- (k) credit risk;
- (l) administration and outsourcing risk;
- (m) tax rate and loss of tax status risk;
- (n) risk as a result of changes in policy; and
- (o) funding risk.

### **Market Risk**

Market risk is the risk of negative returns on the Scheme's Authorised Investments resulting in the Scheme having insufficient assets to meet expenses. Negative returns can arise from factors such as adverse changes to asset values, transaction costs, economic conditions, market sentiment, political events, consumer demand, environmental issues, technology issues and unexpected changes in the operations or the business environment of companies in which the Underlying Fund Manager invests.

Investments are generally divided into five major investment classes being cash, fixed interest, property, equities, and alternative assets. These classes have differing levels of risk. When investing in these various classes there is a risk/return trade-off. Higher risk investments, such as equities, are expected to generate a higher return to compensate for the additional risk. Lower risk investments, such as cash, are expected to generate a lower return on average over time. Therefore, the more risk an investor accepts, the more potential return with which the investor can be rewarded, but the greater the risk of the

investor losing some or all of the money invested. The Scheme's current investment strategy is to provide exposure to a conservative mix of defensive and growth assets with exposure to the various asset classes, as set out in the current Statement of Investment Policies and Objectives ("SIPO"). The Manager has sought to reduce investment risk by investing indirectly in a wide range of assets through the MITNZ Socially Responsible Conservative Portfolio. The Scheme's investment performance is also regularly assessed against its SIPO. However, while the Manager has sought to reduce the risk of negative performance, some risk will always remain. The most significant risk facing the Conservative Fund over the long term is inflation risk. Inflation risk is the risk that money may not maintain its purchasing power due to increases in the price of goods and services. Over the short to medium term the most significant risk facing the Conservative Fund is changes in equity markets and interest rates.

A Member's investment in the Scheme may fall as well as rise in value as a result of the factors described in this part of this document. Investing in the Scheme carries the risk of negative returns. If the value of the Scheme's Authorised Investments falls over the time the Member has invested in the Scheme, he or she may receive less when he or she Withdraws their investment than what that Member had paid into the Scheme.

### **Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates have a negative impact, directly or indirectly, on the return on a Member's investment in the Scheme. Fixed interest investments make up a significant element of the Scheme's investments.

### **Future Economic and Investment Market Conditions**

The Manager cannot predict the impact that future economic investment market conditions may have on the Scheme's Authorised Investments, be they positive or negative. The Scheme may achieve negative returns from time to time and such negative returns may continue for a period of time.

### **Manager of Manager's Risk**

The Scheme's current investment in the MITNZ Socially Responsible Conservative Portfolio involves reliance on the skills of Mercer, as the Scheme's underlying fund manager, to effectively discharge its functions as a 'manager of managers' in relation to that Portfolio. This is because Mercer is dependent upon other managers performing their investment management activities and achieving the outcomes desired by Mercer for the Portfolio. There is a risk that such managers could under-perform or fail to achieve their objectives set out in their policies or mandates, and a risk that Mercer's management of those managers and their performance is not effective.

### **Investment Class Risk**

As mentioned above, risk can be increased or decreased depending on the type of investments in which the Scheme invests. Further commentary on the risks associated with certain types of investments is set out below:

- (a) **Cash:** Cash is ideal where a short term investment is required, but inflation could erode its value. In addition, where cash assets are placed on bank deposit or short term

securities there is a risk of the bank or other counterparty defaulting, meaning that some or all of the cash invested may be lost.

- (b) Fixed interest:** The value of fixed interest investments is affected by changes in interest rates. When interest rates rise, the capital value of existing fixed interest securities will decline; conversely, when interest rates fall, the value of existing securities will rise. There is also a risk that the issuer will not make the required interest payments or will fail to repay the investment on maturity, or both. Further, there is a risk that proceeds available for reinvestment are reinvested at a lower interest rate than the instrument that generated the proceeds.
- (c) Equity:** Equity investments, or shares, offer the possibility of greater returns and tend to be more accessible and liquid than many other securities. However, equity / share investments are higher risk. This is because the value of shares can be volatile (i.e. go up and down) and is very much dependent on the performance of the company that issued the shares (as a result of its profits, cash flow, growth and management). The value of shares can also be affected by market opinion and equity market conditions generally. There are also extra costs due to brokerage services.
- (d) Property:** Direct property investments are susceptible to a lack of liquidity. This means that these investments may not be easily sold, or may only be able to be sold at a lower price than expected. Such investments can also be susceptible to valuation issues, where the actual value of the investment may fluctuate due to issues related to the overall quality of properties and their on-going tenancy. In addition, the actual value of such investments may not always reflect the value attributed to them by the relevant investment manager. Furthermore, direct property investments can often involve high transaction costs.
- (e) Alternative Investments:** Alternative investments are those which fall outside the scope of the traditional asset classes set out above. Alternative investments can include infrastructure and natural resource assets. Such investments generally do not follow typical market cycles and as such, can provide a portfolio with alternative sources of growth when markets are underperforming. However, due to the non-traditional nature of these investments, the Underlying Fund Manager can generally invest in such investments only indirectly by investing into other managed funds. A lack of liquidity is therefore a risk for alternative investments. There can also be underlying valuation issues given the non-traditional nature of the assets involved.

#### **Investment Counterparty Credit Risk**

Investment counterparty risk is the risk that a party to an investment contract with the Scheme defaults, fails to complete a transaction, or otherwise becomes unable to meet its financial obligations. If this occurs the full value of your investment may not be recovered.

#### **Currency risk**

Currency risk is the risk that arises where the Scheme invests in investments denominated in other currencies, including Australian dollars. Such international investments expose the Scheme to movements in foreign currencies relative to New Zealand dollars. This can have unpredictable positive and negative effects on the New Zealand dollar value of those investments and the income received from them if the investments are not hedged. To

reduce these unpredictable effects, the MITNZ Socially Responsible Conservative Portfolio (into which the Scheme invests) uses foreign currency hedging to hedge a significant portion of its foreign currency exposure into New Zealand dollars (which would mean the Conservative Fund would be unlikely to benefit if the New Zealand dollar falls and unlikely to suffer if the New Zealand dollar rises). The Underlying Fund Manager has some discretion to vary the extent to which foreign currency investments are hedged within the MITNZ Socially Responsible Conservative Portfolio.

### **Derivatives Risk**

Investment portfolios and pooled investment vehicles in which the Underlying Fund Manager invests may utilise derivatives in managing those portfolios and pooled investment vehicles. Derivatives are investment products whose value is derived from other investments. Derivatives include futures or options. For example, the value of a share option is linked to the value of the underlying share. Derivatives may be used, among other things, to manage risk (e.g. for currency hedging). Losses from derivatives can occur, for example, due to market movements. The Underlying Fund Manager seeks to manage derivative risk by placing limits on the extent of derivative use by investment portfolios and pooled investment vehicles in which the Underlying Fund Manager invests.

### **Liquidity Risk**

Liquidity risk is the risk associated with the Scheme's inability to meet its monetary obligations in a timely manner including the payment of Withdrawals. The risk arises where there is a mismatch between the maturity profile of investments and the amounts required to pay benefits. The Underlying Fund Manager manages the MITNZ Socially Responsible Conservative Portfolio with a view to ensuring the Scheme can meet its cash flow requirements.

The Scheme's ability to pay out Withdrawals in certain circumstances is also affected by the circumstances in which the Underlying Fund Manager may suspend the withdrawal of units from the MITNZ Socially Responsible Conservative Portfolio. The Underlying Fund Manager may suspend the withdrawal of units from the MITNZ Socially Responsible Conservative Portfolio in a number of circumstances. If the Underlying Fund Manager suspends the withdrawal of units from the MITNZ Socially Responsible Conservative Portfolio, WRFL may be forced to suspend Withdrawals from the Scheme.

### **Regulatory Risk**

Regulatory risk is the risk of future changes to general and tax legislation which could affect the Scheme's operation (for example, the Manager may alter the rate at which it attaches Māori Authority Credits to contributions paid to Members by Te Rūnanga o Ngāi Tahu as a result of a change in legislation) or Members' benefits, or of the Trust Deed being amended in a manner required by law that has the effect of reducing benefits.

### **Credit Risk**

Credit risk is the risk that the Scheme becomes insolvent and is placed into receivership, liquidation, statutory management, or is otherwise unable to meet its financial obligations. If this occurs, Members may not recover the full amount of their investment in the Scheme.

### **Administration and Outsourcing Risk**

Administration risk is the risk of a technological or other failure impacting on the Scheme or on financial markets in general, thus undermining a Member's investment in the Scheme. WRFL uses a number of professional advisors and service providers to manage the Scheme. There is a risk that an advisor or service provider does not fulfil its contractual obligations and responsibilities. WRFL's service providers have risk management policies and procedures in place to reduce these risks.

### **Tax Rate and Loss of Tax Status Risk**

This is the risk that tax rates may change in the future. In addition, Members who provide an incorrect PIR, or who fail to advise the Manager that their PIR or RSCT rate has changed, may have to file a tax return and pay further tax, penalties and interest, or may have more tax deducted from their investment than is necessary. There is also the risk of the Scheme losing its status as a PIE, or Te Rūnanga o Ngāi Tahu losing its status as a retirement scheme contributor for the purposes of RSCT, giving rise to a different tax treatment of contributions to, or Members' investments in, the Scheme.

### **Risk as a Result of Changes in Policy**

The Manager may alter the requirements with which Members have to comply (for example, the requirements to Withdraw or transfer funds), in accordance with the discretion provided to it under the Trust Deed. In addition, the Manager may alter the rate at which it attaches Māori Authority Credits to contributions paid to you as a result of a change in legislation. Such exercise of discretion will likely have an impact on the Member's benefits. As a result of the exercise of the Manager's discretion the Member may not be able to Withdraw or transfer his or her investment as has been allowed previously or may only be able to offset a lesser amount of his or her taxable income.

### **Funding Risk**

Te Rūnanga o Ngāi Tahu has committed to meeting the Scheme's administrative costs (but not the Underlying Fund Manager's fees) as long as WRFL is the manager of the Whai Rawa Unit Trust. If, after that time, Te Rūnanga o Ngāi Tahu is no longer able or willing to meet these costs, the Scheme will need to pay these costs. In addition, Te Rūnanga o Ngāi Tahu contributes to the Scheme Matched Savings and Distributions. Te Rūnanga o Ngāi Tahu may, at any time, not be willing or able to provide these contributions, whether due to a negative change in its financial circumstances, a large increase in the number of Members becoming eligible for Matched Savings and/or Distributions, or for any other reason. Te Rūnanga o Ngāi Tahu's decisions in respect of meeting the Scheme's administrative costs and contributing Matched Savings and/or Distributions will affect the returns Members may receive from the Scheme.

## **10. Responsible Investment Policy**

The Manager of the Scheme invests into MITNZ, and at the date of this document, the Scheme will invest in a MITNZ socially responsible investment ("SRI") product. To reflect the socially

responsible option that the Scheme provides to the Members, the Manager of the Scheme has updated its approach to investing in a socially responsible manner and has adopted the following Responsible Investment Policy.

The three components of the policy are:

1. Sustainable Investment.
2. Ethical Exclusions.
3. Corporate Governance and Proxy Voting.

The Manager believes a sustainable investment approach is more likely to create and preserve long term investment capital.

As an investor in New Zealand and international markets, the Manager believes that Environmental, Social and Governance (ESG) factors can have a material impact on long term risk and return outcomes. Further, the Manager believes that principles of active ownership and investment stewardship are of value in the investment process. For that reason, the Manager has elected to invest in the MITNZ Socially Responsible Conservative Portfolio, where ESG factors are incorporated in decision making and ownership practices.

The Manager believes that the principles above can be applied across asset classes.

The MITNZ Socially Responsible Conservative Portfolio chosen by the Manager may exclude investments in companies that the underlying investment manager (Mercer) views as doing substantial and irreparable harm to society or the environment provided the risk/return implications of excluding such companies is not expected to lead to significant financial detriment for clients and can be effectively managed.

As at the date of this document, Mercer has determined that the following products should be excluded on this basis:

- Companies manufacturing cluster munitions, landmines, chemical or biological weapons, or nuclear weapons.
- Companies manufacturing tobacco products.
- Companies involved in the production and retailing of automatic and semi-automatic weapons
- Mercer may consider additional products or services for exclusion in future.

In addition to the above, as at the date of this document, the underlying funds of the MITNZ Socially Responsible Conservative Portfolio also excludes equity issued by companies that derive a share of their revenues from these industries:

- Tobacco: Companies with > 10% revenue from tobacco.
- Gambling: Companies with > 10% revenue from gambling-related business activities.
- Alcohol: Companies with > 10% revenue from alcohol-related activities.
- Controversial weapons/armaments: Companies directly involved in the development and production (manufacture), sale or disruption of cluster munitions; anti-personnel mines; and biological, chemical or nuclear weapons.

- Adult entertainment: Companies with > 10% revenue from adult entertainment - related business activities.
- Fossil fuels: Companies with > 20% revenue from the extraction of thermal coal and/or tar sands oil.
- Other industry sectors as determined by the underlying socially responsible equity manager(s).

## **11. OTHER MATERIAL MATTERS**

It should be noted also that WRFL, with the agreement of Te Rūnanga o Ngāi Tahu and the Supervisor, can, in accordance with the provisions of the Trust Deed, amend the Trust Deed and thereby alter the Scheme. Details of how this can occur are contained in the Trust Deed.

Further, WRFL, with the agreement of the Supervisor, can amend the SIPO. The SIPO, generally speaking, guides the type of investments that the Underlying Fund Manager will invest in on behalf of the Scheme.

## **12. OTHER MATERIAL INFORMATION CHANGES**

Changes that have occurred since the date of the last Other Material Information document (19 March 2019) reflected in this document are as follows:

On 1 October 2019 Link Market Services Limited, the previous Administration Manager of the Scheme, was replaced with Mercer (N.Z.) Limited in this document.

With effect from 2 October 2019 the Scheme adopted a responsible investment policy and changed its investment from the MITNZ Conservative Fund to the MITNZ Socially Responsible Conservative Portfolio.

On 1 October 2019 the Scheme moved from being an account-based unit trust to a unitised Scheme.

## **13. GLOSSARY**

**Account** or **Whai Rawa Account** means the Account established in respect of a Member, divided into units.

**Authorised Investments** means those investments in which the Scheme may be invested as specified in the Trust Deed.

**Balance** means in respect of a Member's Account or the Reserve Account, the aggregate net value of units attributable to that Account.

**Calendar Year** means 1 January to 31 December in any year.

**Ceasing Member Withdrawal** means a Withdrawal made by you if a Member ceases to be a Member, and he or she is not otherwise entitled to any other Withdrawal.

**Child Member** means a Member who is under the age of 16 years.

**Conditions** means the terms and conditions on which Te Rūnanga o Ngāi Tahu contributes Matched Savings and Distributions.

**Conservative Fund** means Mercer Investment Trusts New Zealand's Socially Responsible Conservative Portfolio.

**Corporate Member** means any entity approved by Te Rūnanga o Ngāi Tahu as a Corporate Member.

**Corporate Member Withdrawal** means a Withdrawal a Corporate Member can make at any time.

**Distribution** means any amount Te Rūnanga o Ngāi Tahu contributes to a Member's Account from time to time, in addition to Matched Savings.

**Education Withdrawal** means a Withdrawal you can make to help finance a Member's tertiary education.

**Elective Member** means a Member who has attained 65 years of age and has elected to remain in the Scheme as an Elective Member or a person who has applied to join the Scheme as an Elective Member.

**Housing Withdrawal** means a Withdrawal you can make to help finance a Member's first home.

**Manager** means Whai Rawa Fund Limited or such other person which is the Scheme's Manager from time to time. The Manager is responsible for the Scheme's day to day running including investment of funds in the Scheme.

**Matched Savings** means the amount Te Rūnanga o Ngāi Tahu may contribute to Members from time to time by matching every dollar Members save into their Account, up to a certain value that Te Rūnanga o Ngāi Tahu determines for each Calendar Year.

**Member** means a holder of an Account comprising of units in the Scheme and includes a Child Member, a Corporate Member, an Elective Member, Provisional Member and a Participating Member or a Member who has voluntarily de-registered from the Register of Tribal Individuals.

**Ngāi Tahu Whānui** means the collective of the individuals who descend from the primary hapū of Waitaha, Ngāti Mamoe, and Ngāi Tahu, namely, Ngāti Kuri, Ngāti Irakehu, Kāti Huirapa, Ngāi Tūāhuriri, and Ngāi Te Ruahikihiki.

**Participating Member** means a Member other than a Child Member, Corporate Member, Provisional Member or an Elective Member.

**PIE** means a Portfolio Investment Entity.

**PIR** means Prescribed Investor Rate.

**Provisional Member** means a person who is not a Registered Tribal Individual who is approved as a Provisional Member by the Manager on the basis that it is reasonably anticipated that they will become a Registered Tribal Individual.

**Registered Tribal Individual** means a person who is a member of Ngāi Tahu Whānui and is registered as a tribal member with Te Rūnanga o Ngāi Tahu in accordance with the Te Rūnanga o Ngāi Tahu Act 1996.

**Retirement Withdrawal** means a Withdrawal a Member makes once he or she is aged 55 years or over.

**Scheme** or **Whai Rawa** means Whai Rawa Unit Trust being a registered managed investment scheme created by the Trust Deed for the purposes of providing a long term savings scheme for members of Ngāi Tahu Whānui to build independent wealth.

**SIPO** means Statement of Investment Policy and Objectives.

**Special Circumstances Withdrawal** means a Withdrawal a Member can request when the Manager is satisfied he or she is experiencing special circumstances.

**Third Party** means any person other than a relevant Member or Te Rūnanga o Ngāi Tahu who makes a contribution to the relevant Member's Account.

**Transferor Member** means a Member who transfers all or part of any amount in that Member's Account to another Member.

**Tribal Application** means an application to Te Rūnanga o Ngāi Tahu to become a Registered Tribal Individual.

**Trust Deed** means the trust deed between the Manager, the Supervisor and Te Rūnanga o Ngāi Tahu dated 6 June 2006 (as amended on 6 June 2007, 22 September 2010, 9 September 2011, 5 September 2016 and 1 October 2019) which establishes the Scheme and contains the terms and conditions under which the Scheme is operated.

**Underlying Fund Manager** means Mercer (N.Z.) Limited or such other person appointed by the Manager to provide investment services to the Scheme.

**Withdrawal** means the withdrawal of money from an Account which includes, as applicable in the context, a Housing Withdrawal, Education Withdrawal, Retirement Withdrawal, Withdrawal on Death, Special Circumstances Withdrawal, Ceasing Member Withdrawal and Corporate Member Withdrawal. Withdraw has a corresponding meaning.

**Withdrawal on Death** means the payment of a Member's savings in the Scheme to his or her estate when he or she passes on.