



KiwiSaver Scheme

Other Material Information

Issued by

Pie Funds Management Limited

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Introduction

The document provides additional detail about important aspects of your investment in the JUNO KiwiSaver Scheme (**'Scheme'**). It applies to each fund within the Scheme, unless we specify otherwise, and should be read with the Product Disclosure Statement for the Scheme (**'PDS'**), the Statement of Investment Policy and Objectives (**'SIPO'**) and any other documents held on the Disclose Register at: www.disclose-register.companiesoffice.govt.nz/.

In this document:

- “**you**” or “**your**” refers to a person who applies to invest in the Funds that make up the Scheme or who invests in the Funds; and
- the words “**Pie Funds**”, “**we**”, “**our**” or “**us**” refer to Pie Funds Management Limited, who is the manager of the Scheme.

1. The Funds

There are three funds in the Scheme (each a **'Fund'**, and together the **'Funds'**). Further important information about each Fund is in the PDS and the SIPO. The Funds are the:

- JUNO Conservative Fund (**'Conservative Fund'**);
- JUNO Balanced Fund (**'Balanced Fund'**); and
- JUNO Growth Fund (**'Growth Fund'**).

The Governing Document governing the Scheme and each Fund, the PDS which sets out important information in relation to each Fund and the SIPO which each Fund is invested in accordance with, are available at www.junokiwisaver.co.nz and companiesoffice.govt.nz/disclose.

2. Contributions and other features

You can make lump sum or regular contributions to the Scheme. Your employer can as well.

Employee contributions

You can regularly contribute 3%, 4%, 6%, 8% or 10% of your after-tax Income to the Scheme. If you don't choose, the default amount is 3%. Your employer is responsible for deducting these amounts and paying them directly to the IRD, who will forward them on to us.

By **'Income'** we mean salary or wages paid by member's employer as that term is defined in the KiwiSaver Act 2006. It includes bonuses, over time payments and rewarded leave payments.

Employer contributions

In addition to your employee contributions, except in the circumstances described below, your employer is required to make a contribution equal to 3% of your gross income. The contribution will have employee superannuation contribution tax deducted from it before it is paid to the IRD (who forwards it on to us). It will be paid on top of your Income, unless you have agreed otherwise. If they want, your employer can pay more than the 3% minimum contribution amount but they have to do so by forwarding it to IRD. Your employer doesn't have to make a contribution for you if:

- you are under 18;
- you aren't contributing to the Scheme (e.g. you're on a KiwiSaver savings suspension);
- you are over the Qualifying Age; or
- to the extent they are already paying into another superannuation scheme for you (conditions apply).

The **'Qualifying Age'** is the age you become eligible to withdrawal your savings, currently 65. This is currently 65 unless you first became a KiwiSaver or complying superannuation fund member after you turned 60 and have not been a member for more than five years*. Additionally, the five-year membership lock-in period does not apply for new members who join KiwiSaver from 1 July 2019 onwards aged between 60 and 64 inclusive.

*Members in this position can opt out of this requirement any time after they reach the age of 65.

Self-employed, under 18 or not working?

You can contribute at any time if you are self-employed, under 18 or are over 18 but not working.

Voluntary contributions

You can make lump sum or regular contributions to the Scheme whenever you like.

Government contributions

While you contribute to the Scheme, you are eligible to receive KiwiSaver Government Contribution if:

- you reside mainly in New Zealand (exceptions apply);
- are 18 years or older;
- have not reached the '**End Payment Date**' being the later of:
 1. you reaching the Qualifying Age; or
 2. five years* after the earliest of:
 - a) the date you first become a member of a KiwiSaver scheme;
 - b) the date the IRD first received a contribution in relation to you for a KiwiSaver scheme; or
 - c) the date you first became a member of a complying superannuation fund, where you subsequently transferred to a KiwiSaver Scheme.

*This does not apply if you signed up to KiwiSaver from 1 July 2019.

If you qualify, every year from 1 July to 30 June you will receive 50c for every dollar up to \$1,042 you contribute to the Scheme. So, the maximum amount the Government will give you for each year is currently \$521.43. These payments will stop once you reach the End Payment Date.

Please note that employer contributions, Government Contributions and amounts transferred from an Australian complying superannuation scheme do not

count towards your Government Contribution eligibility.

If you join KiwiSaver part-way through the Government Contribution year (1 July to 30 June), you will receive a Government Contribution based on the number of days in the Government Contribution year that you have been a member.

**If you joined KiwiSaver before 1 July 2019, a 5 year minimum requirement applies if you were 60 years or older when you joined. During the 5 year minimum period, you are entitled to the Government Contribution if you are contributing from your wages or salary. Once you have reached 65, you can opt out of this requirement and make a withdrawal but you will forgo your entitlement to the Government contribution.*

Savings suspension

If you are an employee making contributions from your income, and 12 or more months have passed since you first contributed to KiwiSaver or you became a member of a complying superannuation fund, you can take a savings suspension for a minimum of 3 months and a maximum of 1 year, which you can renew. You can also be on a savings suspension at any time if the IRD is satisfied you are suffering, or are likely to suffer, financial hardship. In these circumstances, however, the length of the savings suspension will generally be 3 months.

Transferring from another KiwiSaver Scheme

You can transfer your account balance to the Scheme from any other KiwiSaver scheme. It is important to note that you can only be a member of one KiwiSaver scheme at a time.

Transferring from an Australian superannuation fund

You may also be able to transfer into the scheme from a complying Australian superannuation fund if you have permanently moved to New Zealand. Please call us on **0800 JUNO KS** (0800 5866 57) for more information about this process.

3. Parties involved

The Manager of the Funds is Pie Funds. Pie Funds was incorporated in New Zealand under the Companies Act 1993 on 9 July 2007 and manages the investments of, and administers, the Funds.

Details of the directors of Pie Funds are available at companiesoffice.govt.nz/companies. The directors may change from time to time without notice to you.

Pie Funds was licenced to act as managed investment scheme manager by the Financial Markets Authority (the 'FMA') on 1 September 2015 subject to the standard conditions imposed on licensed managers of managed investment schemes by the FMA.

Supervisor

The supervisor of the Scheme is Trustees Executors Limited (the '**Supervisor**'). The Supervisor is responsible for monitoring our compliance in accordance with the Governing Document and the Financial Markets Conduct Act 2013 ('**FMCA**').

The Supervisor is required by law to vest the investments and other property of the Scheme in the name of the Supervisor or its nominee. It has delegated certain custodian duties to MMC Limited.

A current list of the directors of the Supervisor is available online at companiesoffice.govt.nz/companies. The directors of the Supervisor may change from time to time without notice to you.

The Supervisor is licenced under section 16(1) of the Financial Markets Supervisors Act 2011 to act as a supervisor in respect of managed investment schemes. Details of the licence are available on the Financial Markets Authority website, www.fma.govt.nz and on the Financial Service Providers Register website, companiesoffice.govt.nz/fsp.

Administration manager

Administration of the Scheme has been delegated to MMC Limited. This includes administration of the investments of the Scheme.

Custodian

MMC Limited is the custodian of the Funds' assets. They are responsible for holding assets on behalf of investors.

Auditor and other advisers

The auditor (PricewaterhouseCoopers New Zealand) is registered under the Auditor Regulation Act 2011. The auditor has no other relationships with, or interests in, the Funds.

MinterEllisonRuddWatts are our primary legal advisers.

Manager and Supervisor indemnity and reimbursement

Subject to the FMCA, Pie Funds, the Supervisor, and any of their directors or employees will be indemnified out of the assets of the Scheme and each Fund from and against any debt, liability or obligation incurred by or on behalf of, or any action or omission in connection with, the Scheme or a Fund. In each case, this is except to the extent that any indemnity would be void under the FMCA or any other applicable legislation.

Neither we nor the Supervisor will have any personal liability in respect of any obligation or claim relating to the Scheme or a Fund, which may only be paid out of the assets of the Scheme or relevant Fund, except to the extent that we or the Supervisor have failed to comply with the requirements of the FMCA (as applicable) in respect of the relevant Fund only. Subject to the FMCA, we and the Supervisor are entitled to be reimbursed out of the assets of the Scheme (or, where applicable, a Fund), in respect of all direct or indirect expenses, losses, costs or liabilities incurred by us and the Supervisor under the Governing Document.

4. Information on fees

As noted in the PDS, you pay fees monthly. The fees per month (and what they would be as an annual amount) are:

Fund charges apply to your investment in JUNO KiwiSaver Scheme		
Balance	Monthly Fee*	Total Annual Fee (Monthly Fee x12**)
Under 13 years	Free	Free
13-17 years or balance under \$5,000	\$2.50	\$30
Balance: Between \$5,000 and under \$15,000	\$5	\$60
Balance: Between \$15,000 and under \$25,000	\$8	\$96
Balance: Between \$25,000 and under \$50,000	\$20	\$240
Balance: Between \$50,000 and under \$75,000	\$40	\$480
Balance: Between \$75,000 and under \$100,000	\$60	\$720
Between \$100,000 and under \$200,000***	\$90	\$1,080

*Fee depends on the balance as at the date the monthly fee is charged.

**The Total Annual Fee assumes the balance does not increase or decrease to such an extent that you move up or down one or more tier in a 12 month period.

***After which you will be charged an extra \$30 per month for every additional \$100,000 invested (e.g. balances of \$200,000 are charged \$90 + \$30 (\$120) per month; balances of \$300,000 are charged \$90 + \$30 + \$30 (\$150) per month. And so on.)

In the PDS, we also disclose an estimate of the fee as a percentage of net asset value, as required by the Financial Markets Conduct Act. The prescribed annual fund charges are as follows:

Prescribed annual fund charges		
Conservative Fund	Balanced Fund	Growth Fund
0.65%	0.56%	0.56%

^ Annual fund charges have been calculated by taking the expected total fees paid by all Members for each Fund divided by the Fund's estimated average net asset value for the year ahead.

We have calculated the prescribed annual fund charges by estimating the allocation of member balances which will be under management at the end of the first full scheme year. From this, we have estimated the fee income for that year which has been used to determine the fee as a percentage of the estimated average net asset value during that year.

Actual charges that apply to each Member's account are set out in the first table.

The Funds may incur fees from investing in underlying exchange traded funds (ETF). Any underlying ETF fees are calculated by the custodian and rebated by the Manager on a quarterly basis and disclosed in the Funds' annual financial statements.

5. Managing conflicts of interest

General description of conflicts of interest

Pie Funds, our directors, employees or other associated persons may choose to invest in the Funds – and/or in Pie Funds Management Limited – so each of the Funds may be affected by a potential conflict of interest. This potential conflict could arise through:

- Investment or operational decisions being made to benefit investors in Pie Funds Management Limited over investors in the Funds;
- Investment or operational decisions being made to benefit those investors in the Funds who are Pie Funds directors, employees and associated persons ahead of those investors who do not have that status.

Either conflict, however, is contrary to Pie Funds' policies, procedures and expectations of behaviour. It is also contrary to our statutory duties under the FMCA.

In reality, the depth of financial involvement by Pie Funds' directors, employees in the Funds and management company is a key strength underpinning Pie Funds' alignment of interest with our investors.

Additional conflicts may include:

- the decision-making of the Portfolio Managers of the Funds given that the Conservative Fund invests in the Balanced Fund, which in turn invests in the Growth Fund in the Scheme; and
- the allocation of investment opportunities between the Scheme and other products issued by Pie Funds outside of the Scheme.

Steps taken to manage conflicts of interest

Statutory duties of Pie Funds as manager under the FMCA

The FMCA imposes statutory duties on us as the manager of the Funds, such that Pie Funds must:

- act honestly in acting as a manager;
- in exercising any powers or performing any duties as a manager:

1. act in the best interests of investors; and
 2. treat investors equitably;
- not make use of information acquired through being the manager in order to:
 1. gain an improper advantage for itself or any other person; or
 2. cause detriment to investors;
 - as a professional manager of a registered scheme, in exercising any powers, or performing any duties, exercise the care, diligence and skill that a prudent person engaged in that profession would exercise in the same circumstances; and
 - where we contract out some or all of our functions as manager to a third party, take all reasonable steps to:
 1. ensure that those functions are performed in the same manner, and are subject to the same duties and restrictions, as if we were performing them directly; and
 2. monitor the performance of those functions.

The FMCA also imposes other duties not outlined above, including, without limitation, the duty to report to the Supervisor any material contravention, or possible contravention, of any of our issuer obligations under the FMCA.

Pie Funds' Conflict of Interests Policy

Pie Funds has in place a Conflicts of Interests Policy relating to conflicts of interest between Pie Funds (or individual staff) and investors' interests (the '**Conflicts Policy**'). The statutory duties under the FMCA set out above have been built into the Conflicts Policy.

The purpose of the Conflicts Policy is to allow conflicts of interest to be proactively and quickly identified and managed in a manner that is fair to investors. The Conflicts Policy is intended to facilitate Pie Funds' directors and employees to recognise, disclose and manage conflicts between Pie Funds (or individual staff) and investors, and the Conflicts Policy sets out a procedure to manage and resolve potential or apparent conflicts in a way that is fair to investors.

Pie Funds also has in place a Code of Ethics which supports the Conflicts Policy.

6. Other relevant information

Market indices (further Information)

We disclose appropriate market indices to provide investors with a reference point for considering a Fund's returns. We have chosen each index to match as closely as possible the assets, and risk, of the investment it is being compared to. We have also chosen indices which, if an investor wishes to, they can invest in directly (typically via Exchange-Traded Funds).

Finally, for each fund we also disclose the aggregate performance of the separate market indices in the Fund Updates. This provides the investor with a reference point for the performance of the overall Fund.

We have target asset allocation and ranges for the Funds, against which we monitor and rebalance actual asset allocations.

Please refer to the Schedules to the SIPO which set out the rationale for the selection of the relevant market indices against which each Fund is compared for the purposes of demonstrating its returns.

All of the indices are reported in NZD (where they are not already NZD indices).

The market indices Pie Funds uses for comparative purposes in demonstrating a Fund's returns may be updated by Pie Funds at any time.

The indices and those web pages may be renamed or replaced from time to time without notice to investors.

Material contracts

A summary of the contracts that we consider to be material in relation to the Funds is set out below:

Governing document

The Governing Document establishes and governs the Scheme. It has been entered into between us and the Supervisor, and may be amended from time to time.

A copy is available on the Scheme Register on the Disclose website at companiesoffice.govt.nz/disclose under the Scheme register entry.

Supervisor agreement

The Supervisor Agreement supplements the Governing Document and sets out the agreement with the Supervisor regarding reporting and information to be provided by us to the Supervisor.

Service agreement: MMC Limited

We have entered into an Administration Management and Custodian Agreement dated 7 June 2018 with MMC Limited.

The agreement relates to a range of administrative services that MMC provides us in respect of the Funds, including registry and investment accounting and other associated services.

They also act as custodian of the Funds.

Related party transactions

The Conservative Fund and the Balanced Fund may invest in the other Funds in the Scheme. We have completed related party transaction certificates with the Supervisor's consent and as required under the FMCA.

Valuations

We will determine the net asset value of the Funds by taking the market value of the assets of the Funds and deducting the liabilities of the Funds.

We must calculate the net asset value of the Scheme on each business day or at such other intervals (not exceeding 30 days) as we determine after consultation with the Supervisor.

Determinations of the net asset value of the Funds take effect from the time they are made and remain in force until the next succeeding determination of the net asset value of the Funds is made by us.

We may from time to time engage valuers or other suitably qualified persons for the purposes of assisting the fixing of the current fair market value of any investment. We are entitled to rely upon the advice of any such valuer or other person and any such valuer or other person shall be deemed to be acting as an expert.

Borrowing powers

Borrowing is permitted under the Governing Document, but we do not currently intend to do this.

No guarantee

No undertakings are given to you in this document or otherwise in relation to the return of capital. None of the Manager, the Supervisor, their respective directors or any other person guarantees or promises the repayment of, or returns on, your investment in the Funds.

Winding up a Fund and the Scheme

The Scheme can be wound up at any time in accordance with the Governing Document.

If the Scheme is wound up, the Supervisor will firstly pay all claims and liabilities (including fees) and then make distributions to members in proportion to their respective holdings of units.

We can wind up a Fund at any time with notice to the Supervisor. If this happens, members will get an opportunity to switch to another Fund or move to a different KiwiSaver Scheme. If you don't specify, you may be moved to another Fund (as agreed with the Supervisor).

Amending the Governing Document and SIPO

We can amend the Governing Document with the agreement of the Supervisor. This must be done in accordance with the Governing Document and the FMCA. The Supervisor is prevented from agreeing to any proposed amendment unless it is satisfied that such amendments do not have a material adverse effect on the members of the Scheme, or that the amendment is approved by or is contingent on the approval of investors.

We can also amend the SIPO, by giving prior notice to the Supervisor.

Financial statements and auditor's report

Financial statements for the Funds are available on the Disclose register: companiesoffice.govt.nz/disclose.

The auditor's report on the financial statements will accompany the financial statements uploaded to the Disclose register each year.