



# MAS Investment Funds

## **Other Material Information**

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*Signatory of:*



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# 1. Introduction

Welcome to MAS Investment Funds. This document provides additional material information on an investment in the MAS Investment Funds (the Scheme), including the benefits of investing, how to join and manage your account, including making investments and withdrawals, more information on who is involved in managing your investment, and some key information on tax and risks that you should be aware of.

This document should be read along with the MAS Investment Funds Product Disclosure Statement (PDS) available at [mas.co.nz/investmentfunds](https://mas.co.nz/investmentfunds) and on the Disclose Register – Offer Register at [disclose-register.companiesoffice.govt.nz](https://disclose-register.companiesoffice.govt.nz)

Medical Funds Management Limited (MFM, we, us, our), a wholly owned subsidiary of Medical Assurance Society New Zealand Limited (MAS), is the manager and issuer of MAS Investment Funds.

The information in this document could change in the future. The latest information on MAS Investment Funds is available at [mas.co.nz/investmentfunds](https://mas.co.nz/investmentfunds)

## 2. More about MAS Investment Funds

Welcome to MAS Investment Funds, provided by MFM, a part of the MAS Group. MAS is a membership-based investment and insurance company that's been supporting New Zealanders for more than 100 years.

### About MAS

As a mutual, our customers become our Members. Because we're owned by our members, we don't have to generate big profits for external shareholders. So, our profits can go back into our products and services – helping you to invest in a better tomorrow!

At MAS, we are committed to having a positive impact on society and the planet. We set up the MAS Foundation to improve community health through charitable grants, and over time, your investment can help make a real difference.

### About MAS Investment Funds

#### The main benefits

MAS Investment Funds offers the flexibility to help you meet your investment savings goals, including:

- **Easy access to your savings** – flexibility to withdraw your money when you need it.
- **A range of investment options** – choose from 7 different Funds to help you reach your investment goals.
- **Invest for a healthier planet** – invest with a focus on climate, restrict exposure to harmful sectors, and be represented at company meetings to advocate for positive change.
- **Actively managed** – investing with experienced managers focused on sustaining long-term investment performance.
- **Advice when you need it** – gain access to a nationwide network of MAS Advisers to help you with your investment decisions, at no additional cost.
- **Online account** – manage your investment online whenever it suits you.

## How we manage your investments

### Actively managed for healthier returns

The performance of your investment funds over the long term makes a big difference to growing your savings.

The investment Funds in the Scheme are actively managed. This means a team of professionals makes investment decisions that aim to outperform the market and deliver higher than market returns for you.

### We seek specialist investment managers

The Funds typically invest in several different asset classes, including Australasian equities and New Zealand fixed interest. Investment managers are often experts in some asset classes but not others. Therefore, we seek out specialist investment managers in each asset class.

The funds of the Scheme are invested with some of the world's largest managers such as BlackRock for international equities and PIMCO for international fixed interest. We also use specialist investment managers JBWere (NZ) Pty Limited (JBWere) for Australasian equities, and Bancorp Treasury Services Limited (Bancorp) for New Zealand fixed interest and cash.

### Our approach to responsible investing

We help you grow your money by investing with a focus on climate change. We will not invest in companies whose principal business activity is the manufacture and sale of weapons or tobacco, the exploration, extraction, refining or processing of fossil fuels or utilities that generate energy from primarily burning fossil fuels.

Learn more about how we invest your money responsibly in the PDS, Statement of Investment Policy and Objectives and at [mas.co.nz/responsible-investments](https://mas.co.nz/responsible-investments)

## Access to advice

Everyone's financial journey is different, and we're here to help our investors create the financial future that is right for them.

We offer access to a nationwide network of MAS Advisers to help you with your investment decisions, at no additional cost.

You can speak with a MAS Adviser in person or on the phone for simple general advice about your MAS Investment Funds account, such as making the right fund choice to meet your savings goals and adding extra contributions to your investment. You can also discuss your personal insurance and income protection needs.

If you would like to talk to a MAS Adviser, phone **0800 800 627** or email [info@mas.co.nz](mailto:info@mas.co.nz)

### 3. Who is involved?

This section provides additional information about key parties involved in providing services for MAS Investment Funds.

#### Manager

Medical Funds Management Limited (MFM) is licensed under the Financial Markets Conduct Act 2013 (FMCA) as a manager of registered schemes. More information about our licence, including its conditions, can be obtained from the Financial Service Providers Register website at [fsp-register.companiesoffice.govt.nz](http://fsp-register.companiesoffice.govt.nz)

MFM as the Manager is responsible for the management and administration of the Scheme. A current list of the people involved in MAS, MFM and the Scheme is available at [mas.co.nz/about-mas/our-people](http://mas.co.nz/about-mas/our-people)

MFM is a wholly owned subsidiary of Medical Assurance Society New Zealand Limited (MAS). MAS has been appointed as the Operational Manager under a Services Agreement to provide operational management services to MFM in respect of the Scheme.

- See section 10 'Conflicts of interest' on page 25 for more information about how conflicts of interest may apply to the Manager and how these are managed.

We have engaged specialist service providers to help with the investment management and administration of the Scheme. MFM remains responsible for the services delivered by our service partners. Further details on these service arrangements are outlined below.

#### Administration Manager

We have delegated the administration of the Scheme to Link Market Services Limited (Link) under an Administration Services Agreement. Link keeps and maintains the register of unitholders and provides fund accounting services for the Scheme.

#### Investment Manager

We have delegated investment management services to JBWere under an Investment Services and Relationship Agreement (ISRA). As lead investment manager, JBWere decides what investments to make within the parameters detailed in the Scheme's Statement of Investment Policy and Objectives (SIPO) and monitors those investments to ensure they remain in compliance with the SIPO.

MFM has also appointed Bancorp under the ISRA to provide sector related investment management services in respect of NZ fixed interest assets and cash in the underlying investment funds that the Scheme invests into.

- See section 10 'Conflicts of interest' on page 25 for more information about how conflicts of interest may apply to our investment managers and how these are managed.

## Unit Pricing Administrator

JBWere has appointed Apex Investment Administration (NZ) Limited (Apex) to provide unit pricing services for the Scheme. Apex is responsible for valuing the Scheme assets and calculating the unit price of each Fund within the Scheme.

- See section 7 'Pricing and valuation' on page 18 for more information about how the Funds are valued and priced.

## Supervisor

Public Trust is the Supervisor of the Scheme. It supervises how we run the Scheme for the benefit of you, the investors.

The Supervisor is a licensed supervisor under the Financial Markets Supervisors Act 2011 and is licensed to act as a supervisor of registered schemes. More information about the Supervisor's licence, including its conditions, can be obtained from the Financial Service Providers Register website at [fsp-register.companiesoffice.govt.nz](http://fsp-register.companiesoffice.govt.nz)

The Supervisor is also responsible for the custody of Scheme assets, and it may nominate or appoint another entity to act as custodian, in accordance with the Trust Deed and relevant law. Refer to the next part of this section 'Custodian' for more information.

You can also find a current list of those involved with the Supervisor on its website at [publictrust.co.nz/corporate-trustee-services/meet-our-team](http://publictrust.co.nz/corporate-trustee-services/meet-our-team)

## Custodian

The Supervisor, Public Trust, has appointed JBWere (NZ) Nominees Limited to act as the custodian of Scheme assets. JBWere (NZ) Nominees Limited is a wholly owned subsidiary of JBWere and is fully independent of the Manager and the Supervisor.

As an independent custodian, JBWere (NZ) Nominees Limited holds the Scheme's assets entirely separate from its own assets, and the assets of any other managed investment scheme (including others issued by MFM).

## 4. How to use your account

This section provides additional information on how to manage your MAS Investment Funds account including how to join, make investments, switch Funds and make withdrawals.

### Start using your account

#### Who can join?

Almost anyone can join our Scheme – individuals (including joint investors), trusts or partnerships, charities, companies, estates and incorporated societies.

You can also open an account on behalf of a child (a person under the age of 18) for whom you are the parent/legal guardian.

- See 'Child accounts' later in this section for more information about how this works.

All investors must be living in New Zealand when they first invest with us.

If you're an individual, you can hold a single individual and joint investment account in the MAS Investment Funds to help achieve your investment goals.

We may accept or decline applications (without giving reasons) at our discretion.

#### How to get started

The easiest way for individuals (including those investing on behalf of a child) and joint investors to apply for units in MAS Investment Funds, is by completing an online application. The online application form is available at [mas.co.nz/investmentfunds](https://mas.co.nz/investmentfunds)

Otherwise, all investors can apply to invest in MAS Investment Funds by completing the relevant application form found on [mas.co.nz/investmentfunds-documents](https://mas.co.nz/investmentfunds-documents) and returning it to us by email at [masinvest@linkmarketservices.com](mailto:masinvest@linkmarketservices.com)

When you first join, you will need to make an investment of at least \$500 by either investing a lump sum via online banking or setting up a regular investment by direct debit. The minimum investment amount can change from time to time.

When we have received, accepted and processed a correctly completed application form you will receive a welcome pack. Your welcome pack will contain your MAS Member Number/Account Number and you will need to provide this number if you are making your initial investment using online banking (direct credit payment).



Further details on how to make your initial investment are shown in the table below.

How to make an initial investment							
Payment type	Payment description and how to make a payment						
Direct credit	<ul style="list-style-type: none"><li>• Make a lump sum or regular investment by using online or phone banking.</li><li>• You can make deposits into the MAS Investment Funds account 01-1839-0947560-00, entering these details:  <table><tr><td><b>Particulars</b></td><td>MAS Member Number/Account Number  (your MAS Member Number/Account Number will be in our welcome pack)</td></tr><tr><td><b>Code</b></td><td>Surname (joint and entity accounts use account name)</td></tr><tr><td><b>Reference</b></td><td>MASINVESTFUNDS</td></tr></table></li></ul>	<b>Particulars</b>	MAS Member Number/Account Number  (your MAS Member Number/Account Number will be in our welcome pack)	<b>Code</b>	Surname (joint and entity accounts use account name)	<b>Reference</b>	MASINVESTFUNDS
<b>Particulars</b>	MAS Member Number/Account Number  (your MAS Member Number/Account Number will be in our welcome pack)						
<b>Code</b>	Surname (joint and entity accounts use account name)						
<b>Reference</b>	MASINVESTFUNDS						
Direct debit	<ul style="list-style-type: none"><li>• Make a regular investment by direct debit.</li><li>• You can set up regular weekly, monthly, fortnightly or quarterly payments.</li><li>• You can set this up as part of the online application form, or complete the Direct Debit Authority Form at the back of the PDS, or it is available at <a href="https://mas.co.nz/investmentfunds-documents">mas.co.nz/investmentfunds-documents</a></li></ul>						

You can also make payments using the bill payment facility through your bank's online or phone banking services.

We do not currently charge a fee for making an investment. This may change in the future.

We are here to help, so if you'd prefer to talk to us about how to make an investment in MAS Investment Funds you can contact us on **0800 627 738** or email [masinvest@linkmarketservices.com](mailto:masinvest@linkmarketservices.com)

### Deciding which fund(s) to invest in

MAS Investment Funds offers 7 different Funds for you to invest in. You can invest in as many Funds as you like and there is no minimum investment amount for each Fund, although you will need to make an initial investment of at least \$500 when you open your account.

Understanding your attitude to investment risk is important to help you understand how to invest your savings. You can use our fund finder tool to learn what kind of investment approach could be right for you and what kind of investment fund could be suited to your personal situation and investment objective.

The fund finder is available at [mas.co.nz/fundfinder](https://mas.co.nz/fundfinder)

## **Your prescribed investor rate (PIR)**

The taxes or any tax rebates applied to your investment are automatically deducted from (or added to) your account at the PIR that you provide to us. In some instances, you may need to pay tax yourself.

- See section 6 'Tax on your investment' on page 16 for more information on how tax works on your investment.

## **Future investment strategy**

When you join MAS Investment Funds you will need to choose a fund or funds to invest in. The initial investment you make across your chosen fund(s) will define your 'future investment strategy'. When any additional investments are made, the additional contributions will be invested automatically in accordance with your future investment strategy unless you instruct us otherwise.

### **How does your future investment strategy work?**

Your current account balance may be invested differently from how your future investment contributions are invested. For example, the investment balance of your funds(s) will change over time as a result of movements in the unit price. Your future investment strategy and how you would like your future investments allocated will remain the same unless you instruct us to make a change.

You can make a change to your future investment strategy at any time. Investors with individual and joint accounts can make a change to their future investment strategy in the MAS Investor Portal.

Other investors will need to complete a Switch and Future Investment Strategy Change Form available at [mas.co.nz/investmentfunds-documents](https://mas.co.nz/investmentfunds-documents)

### **Additional investments**

When you make a lump sum investment you can choose which Fund(s) you would like to invest in. If you do not select a Fund(s), any additional investments you make will be automatically allocated based on your future investment strategy.

Any additional regular investments you make by direct debit will be allocated in accordance with your future investment strategy. To change how your regular investments are allocated, you will need to change your future investment strategy.

Your financial goals can change over time. For this reason, it's important to review your future investment strategy regularly and adjust your strategy as needed.

## **MAS Investor Portal**

You can manage your investment online whenever it suits you. The MAS Investor Portal allows you to view your investment and manage your personal details, and investors with individual or joint accounts can switch funds online – making it easy to keep track of your investment savings. You will need your MAS Member Number to access the Investor Portal.

You can register or manage your account online at [masinvest.co.nz](https://masinvest.co.nz)

## Managing your account

### Minimum balance

A minimum balance of \$500 must be held across the investment funds in your account. If your balance falls below the minimum balance, we may, at our discretion, consider that a withdrawal notice has been received and redeem the remaining units in your investment account.

After we pay your withdrawal proceeds the account will be closed.

The minimum balance may change from time to time and we can set a different minimum holding balance for the investment account and/or the Funds.

### Additional investments

You can also add to your investment at any time, by making a lump sum or regular investment through online banking (direct credit). Regular contributions can also be made by direct debit. There is no minimum investment amount for additional contributions.

Further details on how to make additional investments are shown in the table below.

How to make an additional investment							
Payment type	Payment description and how to make a payment						
Direct credit	<ul style="list-style-type: none"><li>Make a lump sum or regular investment by using online or phone banking.</li><li>You can make deposits into the MAS Investment Funds account 01-1839-0947560-00, entering these details:<table><tr><td>Particulars</td><td>MAS Member Number/Account Number</td></tr><tr><td>Code</td><td>Please enter the <b>Fund Code</b> (which is the first 3 letters of the Fund, e.g. Growth Fund is <b>GRO</b>)</td></tr><tr><td>Reference</td><td>MASINVESTFUNDS</td></tr></table></li></ul>	Particulars	MAS Member Number/Account Number	Code	Please enter the <b>Fund Code</b> (which is the first 3 letters of the Fund, e.g. Growth Fund is <b>GRO</b> )	Reference	MASINVESTFUNDS
Particulars	MAS Member Number/Account Number						
Code	Please enter the <b>Fund Code</b> (which is the first 3 letters of the Fund, e.g. Growth Fund is <b>GRO</b> )						
Reference	MASINVESTFUNDS						
Direct debit	<ul style="list-style-type: none"><li>Make a regular investment by direct debit.</li><li>You can set up regular weekly, monthly, fortnightly or quarterly payments.</li><li>Complete the Direct Debit Authority Form available at <a href="https://mas.co.nz/investmentfunds-documents">mas.co.nz/investmentfunds-documents</a></li><li>You can increase, reduce or suspend your regular direct debit payments at any time by completing a Direct Debit Change Form available at <a href="https://mas.co.nz/investmentfunds-documents">mas.co.nz/investmentfunds-documents</a></li></ul>						

More details on making additional payments is available at [mas.co.nz/investmentfunds-contributions](https://mas.co.nz/investmentfunds-contributions)

You can also make payments using the bill payment facility through your bank's online or phone banking services.

If you do not provide any instructions for the allocation of any additional investments you make, your additional investment will be allocated in accordance with your future investment strategy.

We are here to help, so if you'd prefer to talk to us about how to make additional investments in MAS Investment Funds you can contact us on **0800 627 738** or email [masinvest@linkmarketservices.com](mailto:masinvest@linkmarketservices.com)

## Switching between Funds

You can build your own investment portfolio from our range of 7 investment Funds. The 7 Funds are designed to suit a broad range of investors.

MAS Investment Funds offers you the flexibility to change your Fund(s) at any time, and there is no minimum amount required to switch Fund(s). We do not currently charge a fee for switching between Funds. This may change in the future.

To switch Fund(s), investors with individual and joint accounts can make a change in the MAS Investor Portal.

Other investors will need to complete a Switch and Future Investment Strategy Change Form available at [mas.co.nz/investmentfunds-documents](https://mas.co.nz/investmentfunds-documents)

If we receive a switch request by 5pm on any given valuation day (which is generally every business day in Auckland and Wellington) and the application is accepted, we will process your switch and issue units in the Fund(s) using the unit price for that day. If your switch request is received after 5pm or on a non-business day, we will generally use the unit price for the next valuation day being the day the request is accepted.

If you request a switch, we'll sell units from one investment option(s) and use the proceeds to buy units in the other investment option(s).

- See section 'Deferring or suspending withdrawals, transfers and switches' on page 12 for a description of the circumstances where we may suspend or defer switches.

You can also find out more information about the Funds we offer in the MAS Investment Funds PDS available at [mas.co.nz/investmentfunds](https://mas.co.nz/investmentfunds)

We do not currently apply a buy/sell spread to Fund switches.

## Child accounts

Opening an account on behalf of a child (a person under the age of 18) can be a great way to invest regular savings to support your child. That money could be used towards helping with higher education or perhaps a house deposit.

You can open an account on behalf of a child only if you are their parent or legal guardian. The person/s opening the account will make all the decisions relating to the account until the child turns 18, at which time the child will have full control of the account. The child will always remain the legal owner of the account and the parent(s) or legal guardian(s) opening the account will need to make a declaration that all investments will be for the sole benefit of the child.

All withdrawals from the child's account will need to be made to a bank account in the name of the child (as the beneficial owner).

You can link a child's account to your individual or joint investor account (if an individual is a parent or guardian). Linking your accounts can help you keep track of multiple investment accounts.

## Withdrawing from your account

You can usually apply to withdraw your investment at any time. After your withdrawal is processed you must maintain a minimum balance of \$500 in your account.

### Lump sum withdrawals

The minimum lump sum withdrawal amount is \$500.

When making a lump sum withdrawal you can choose which Fund(s) to deduct your money from. You can also choose to withdraw your funds on a proportional basis, where the withdrawal is made proportionally based on which Fund(s) you are invested in. For example, if you have 50% of your investment in the Cash Fund and 50% in the Balanced Fund, a \$1,000 withdrawal would take \$500 from each Fund.

If you do not provide any instructions on how you would like your money withdrawn, your funds will be withdrawn on a proportional basis.

### Regular withdrawals

The minimum regular withdrawal amount is \$100. You can set up regular weekly, monthly, fortnightly and quarterly withdrawals.

When making a regular withdrawal your funds will be withdrawn on a proportional basis, where the withdrawal is made proportionally based on what Fund(s) you are invested in.

Investors can complete a withdrawal request through the Withdrawal Form available at [mas.co.nz/investmentfunds-documents](https://mas.co.nz/investmentfunds-documents)

When making a withdrawal it's important to consider your investment timeframe and goals. Try to avoid being distracted by short-term changes in your investment balance, such as those caused by market volatility.

## Deferring or suspending withdrawals, transfers and switches

We may defer or suspend processing of any withdrawal, transfer or switch request (where the law and Trust Deed allows) if:

- we think that allowing a withdrawal would or may be prejudicial to the general interests of investors in the relevant Fund or Funds
- it is not practicable to do so; or
- it is not desirable for the protection of the relevant Fund or Funds.

If we choose to defer or suspend withdrawals or switches, we may apply some of the following conditions.

- Defer or suspend withdrawals and switches for up to 90 days. However, we may exceed 90 days if the Supervisor has provided prior approval.
- Pay out withdrawals to one or more investors as instalments over a period of up to 90 days (or longer if the Supervisor has provided prior approval); or as a lump sum at the end of that period.

We will process any transfer request as a withdrawal and an application for new units. Therefore, any restrictions may also apply to the transfer of units to another account.

## Side-pocketing

Subject to the Trust Deed and relevant law, we may also separate out certain assets and/or make special arrangements for those assets, which is referred to as 'side-pocketing'. Side-pocketing is a process to separate illiquid (or hard-to-value) assets from more liquid assets, with the purpose of isolating more illiquid assets to protect the interests of existing investors. This may affect you accessing part of your investment.

## 5. Information on fees

This section provides additional information about the fees that will be charged for investing in MAS Investment Funds.

### Annual fund charge

The annual fund charge of the Scheme is made up of:

- the Manager's basic fee (management fee); and
- fund expenses, and the fees and expenses of funds that the Funds invest in.

Together these are referred to as 'Other management and administrative charges'.

Further information on the components of the annual fund charge is outlined in the table below.

#### Manager's basic fee

Fund	Manager's basic fee (as a percentage of the net asset value of the Fund)
Global Equities	0.89%
Aggressive	0.87%
Growth	0.86%
Balanced	0.85%
Moderate	0.78%
Conservative	0.66%
Cash	0.24%

The Manager's basic fee is calculated daily and will reduce a Fund's unit price. The fee is accrued daily and paid monthly in arrears from the Scheme.

The fee we charge you is used to pay such things as:

- the Administration Manager to administer the Scheme; and
- the investment managers to invest in the Scheme's assets.

## Other management and administrative charges

Other management and administrative charges are made up of:

<b>Fund expenses</b>	The Trust Deed permits us to deduct fees, costs and expenses for the administration of the Scheme. Examples include legal, regulatory and audit costs.
<b>Underlying fund charges</b>	<p>The Funds may invest in other funds (underlying funds) to obtain exposure to certain asset classes, for instance international fixed interest. These underlying funds may charge their own management fees and expenses and may charge performance fees. These charges have an impact on the returns from the underlying funds and, therefore, on the value of your investment.</p> <p>MFM does not charge a fee for the Scheme's investment in the MAS Wholesale Investment Funds.</p>

## Supervisor fee

The Trust Deed entitles the Supervisor to charge a fee for its services. This fee is currently met by us, however, this may change in the future.

## Basis for estimates of Fund annual charges

The Funds' administrative costs and expenses may vary from year to year. Calculating these costs and expenses takes into account estimates provided by the Scheme's professional service providers.

We have estimated fees and expenses charged by underlying funds, based on their public disclosures. While we have assumed that these will not change, we regularly review these.

We have estimated what future performance fees, if any, may be charged by underlying funds. Our estimate considers the previous year's fee disclosed by the underlying fund.

We review all these estimates on an annual basis.

The estimated annual fund charges include GST as applicable.

See the latest Fund Update (when available) for the most recent actual charges. These are available at [mas.co.nz/investmentfunds-documents](https://mas.co.nz/investmentfunds-documents) and on the Disclose Register – Offer Register at [disclose-register.companiesoffice.govt.nz](https://disclose-register.companiesoffice.govt.nz)



## **Administration fee**

Currently, there is no administration fee.

## **Transaction fees**

Currently, we don't charge a fee to enter or leave our Funds, or for switching between Funds. This may change in the future.

## **Investment costs**

The costs of buying and selling investments are paid by the Funds and they are reflected in the value of your investment. These costs are an additional cost and not included in the annual fund charges.

Currently no buy/sell spread is applied in the unit price for our Funds. This could change at any time.

## **The fees can be changed**

We can vary or introduce new fees. There is no maximum fee that may be charged.

Investors will be given at least 1 month's notice of any new fees or fee increase.

## 6. Tax on your investment

This section provides additional information on how tax is applied to investors in MAS Investment Funds.

The information provided in this document is intended to be general information only. There may be changes to these rules in future and we will update this document and other offer documents, such as the Product Disclosure Statement, to take account of any material changes. We recommend that you seek professional tax advice if you intend to invest.

Tax law is complex and changes frequently. Investors should regularly monitor the tax implications of investing in the Scheme and should not assume that the position will remain the same as it is when they start investing. The comments under this section 'Tax on your investment' are provided as general background only and are not a comprehensive discussion of tax issues.

You can find more information about the tax rules applying to portfolio investment entities on the Inland Revenue Department (Inland Revenue) website at [ird.govt.nz](http://ird.govt.nz)

### Portfolio investment entity (PIE)

The Scheme is a multi-rate PIE as defined in the Income Tax Act 2007. The tax regime applicable to a PIE provides that all taxable income, losses and tax credits related to a fund's investments must be allocated to you in proportion to your daily unit holdings in that fund, with tax payable (or refunded) at your prescribed investor rate (PIR).

In some circumstances, such as you being attributed a tax loss or excess imputation credits, the multi-rate PIE can claim a credit back from Inland Revenue and apply this to your account by issuing you with more units in the Scheme.

We arrange, with reference to your advised PIR, for PIE tax applicable to your investment account to be paid (or refunded). We do this at the end of the tax year (after 31 March) or earlier if you have made a full withdrawal or a partial withdrawal that is more than 80% of your total balance.

### New Zealand resident investors

Under the PIE tax legislation, the Scheme will calculate and pay tax on the net income it allocates to investors using a PIR of 0%, 10.5%, 17.5% or 28%.

At the date of this document, if you are an individual investor and a New Zealand tax resident, you will have a PIR of 10.5%, 17.5% or 28%.

To qualify for a 10.5% or 17.5% PIR, you must be a New Zealand resident for tax purposes, must supply a valid IRD number to us and must determine that your PIR for the current year is 10.5% or 17.5% based on your income for either of the previous two income years (income years generally commence on 1 April in any year and end on 31 March in the following year). For more information on determining your PIR, you can refer to the Inland Revenue's website at [ird.govt.nz/pir](http://ird.govt.nz/pir)

Inland Revenue may instruct us to change your PIR if you have not notified us of your PIR or if Inland Revenue considers that your notified PIR is incorrect, based on the information it holds on you that is sufficient to determine a correct PIR.

If Inland Revenue instructs us to change your PIR, we must apply the new PIR as soon as reasonably practicable. If you notify us of a different PIR after any instruction we receive from Inland Revenue, we will apply the new rate provided by you.

It is important that you provide us with both your PIR and IRD number, otherwise you will be taxed at the highest PIR. When you become an investor, you will need to provide your IRD number within 6 weeks, or we will have to close your account at the conclusion of that period.

## If you're investing with another person

If you are investing jointly with another person, we will apply the highest PIR of the joint investors to calculate the tax. Each joint investor will need to provide us with their own PIR and IRD number. If one or more of the investors does not provide us with their PIR, a default rate of 28% will be applied.

We notify Inland Revenue of the joint investors' details and Inland Revenue divide the income and tax equally between all joint investors. If you disagree with Inland Revenue's allocation of income and tax to joint investors, we are unable to change this, however, joint investors can change their allocation by signing in to 'myIR' at the Inland Revenue website at [ird.govt.nz](https://ird.govt.nz)

## If you're not an individual

If you are not investing as an individual (for example as an entity such as a trust, company, or charity) you may have a 0% PIR. For more information on how to determine your PIR refer to the Inland Revenue's website [ird.govt.nz/pir](https://ird.govt.nz/pir)

We also recommend that you seek professional tax advice if you consider you may be one of these entities.

## Non-New Zealand tax resident

If you are a non-NZ tax resident and do not qualify for a 10.5% or 17.5% PIR, your PIR will be 28%. If you have a PIR of less than 28%, you may need to file a New Zealand income tax return. We recommend that you contact Inland Revenue for further information.

- For more information on how to determine your PIR refer to the Inland Revenue's website [ird.govt.nz/pir](https://ird.govt.nz/pir). If you are unsure of your PIR, we recommend you seek professional advice or contact the Inland Revenue.

In addition to New Zealand reporting obligations, the Scheme needs to meet global rules put in place to avoid offshore tax evasion, by the exchange of information between tax authorities in different overseas jurisdictions.

If you are a non-New Zealand tax resident, as part of the application process we will collect additional information relating to the country in which you are a tax resident. If you become a non-New Zealand tax resident while investing in the Scheme, you will need to provide us with additional information.

We will report certain information to Inland Revenue annually, such as tax residency, account balances and returns earned. Inland Revenue then passes on this information to the tax authority in the relevant jurisdiction.

- For more information on the Foreign Account Tax Compliance Act (FATCA) or Automatic Exchange of Information (AEOI) and Common Reporting Standards (CRS) refer to the Inland Revenue website at [ird.govt.nz/international-tax/exchange-of-information](https://ird.govt.nz/international-tax/exchange-of-information)

If you are a non-NZ tax resident, there may be tax consequences in the country that you are a tax-resident of that are not addressed here. We recommend that you seek professional tax advice regarding your individual circumstances.

## 7. Pricing and valuation

This section provides additional information on how the Funds in MAS Investment Funds are valued and priced.

Apex has been appointed as the Unit Pricing Administrator under the ISRA with JBWere.

The policies of Apex have been adopted as the policies relating to pricing and valuation for the Scheme.

The key aspects of pricing and valuations are listed below.

- The Funds will be valued and the units are priced on each valuation day (which is generally every business day in Auckland and Wellington).
- Where assets are traded on financial markets, prices are to be sourced from independent market data providers such as Bloomberg and Thomson Reuters. In general, Apex is the valuation provider for the majority of the securities.
- Where an asset is deemed illiquid, or pricing has been suspended, a valuation will be agreed between us and the Supervisor, and notified to Apex.
- If there is uncertainty over the taxation treatment of an asset, we will seek guidance from specialist tax advisers before instructing Apex.

## 8. Market index information

This section provides information on the market index for each Fund in MAS Investment Funds.

The performance of each Fund is measured against a market index. The market index for a Fund comprises the benchmark index return of each of the asset classes the Fund invests in, weighted by the Fund's benchmark asset allocation to each asset class.

The current benchmark index is outlined in the table below.

Asset class	Benchmark index
International Equities	MSCI All Country World Total Return Index (ACWI) (50% hedged to NZD)
Australasian Equities	S&P/NZX 50 Gross Index
International Fixed Interest	Bloomberg Barclays Global Aggregate Index (hedged to NZD)
New Zealand Fixed Interest	Bloomberg NZ Bond Composite 0+ Yr Index
Cash and Cash Equivalents	S&P/NZX Bank Bills 90-Day Index

These indices may be updated or changed at any time.

More information on the market indices may be obtained from the websites outlined in the table below.

Source	Website
MSCI	<a href="https://www.msci.com/indexes">msci.com/indexes</a>
S&P indices	<a href="https://www.us.spindices.com">us.spindices.com</a> (and refer to New Zealand indices)
Bloomberg	<a href="https://www.bloomberg.com/professional/product/indices">bloomberg.com/professional/product/indices</a>

These websites are current at the date of this Other Material Information document and may change.

## 9. Universe of investment risks

This section provides you with a summary of risks that may have an impact on the performance of your investment in MAS Investment Funds. It provides important information about the impact of these risks that you may face alongside mitigation strategies and controls we and our agents, including MAS, use to help identify and manage these risks.

All investments have a potential return and carry a degree of risk. The principal risks you face are that you may not receive the returns you expect and/or that you may not be able to recover the full amount of your investment in the Scheme.

As illustrated in the Long-Term Risk/Return graph below, different asset classes and Funds carry a different level of risk based on the underlying asset allocations and benchmarks.

Risk can be reduced through investment diversification, which means investing in a range of asset classes within a Fund such as cash and cash equivalents, fixed interest and equities. A key benefit of diversification, is when different asset classes are uncorrelated (or negatively correlated), some assets may fall in value while others rise. The lesser the correlation the more the diversification benefit.

Different asset classes will have different risk and return characteristics.

### Income assets

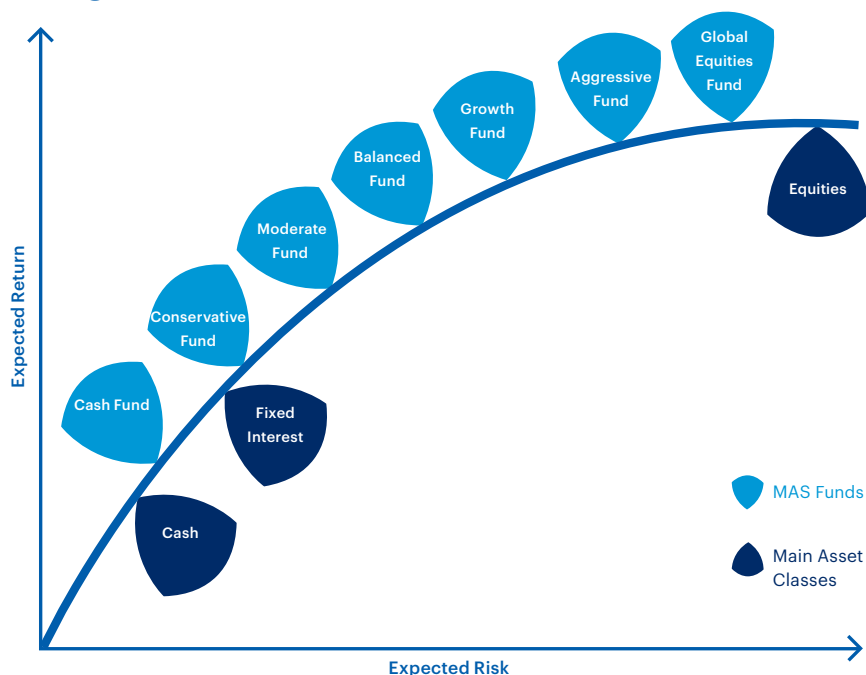
At the lower end of the risk spectrum are income assets, which include cash and cash equivalents and fixed interest. They are expected to provide returns in the form of income with potential for some capital change. Income assets are generally lower risk with lower return potential over the longer term compared with growth assets.

### Growth assets

Conversely, at the other end of the risk spectrum are growth assets such as equities. They are designed to grow your investment. These have the potential for higher returns over the long term compared with income assets, but returns may fluctuate up and down and be negative on occasion.

The principal risks that can affect the return or value of the Scheme have been broken into General Investment Risks and Other General Risks and are outlined in the rest of this section.

### Long-Term Risk/Return



## General investment risks

The value of your investment may be adversely affected by any or all of the general investment risks outlined in the table below.

Risk type	Risk description	Impact of risk	How we mitigate these risks
Asset Allocation Risk	Funds that invest more in growth assets such as Australasian and international equities have higher potential returns. At the same time, they also have greater risks than funds that invest more in income assets such as cash or fixed interest.	Potential for lower investment returns if there is not a spread of assets.	<p>The Scheme's Statement of Investment Policy and Objectives (SIPO)* sets Strategic Asset Allocation benchmarks for each Fund, such as shares, bonds and cash.</p> <p>Investment managers may change the mix of assets to either take advantage of market conditions or to protect Fund values during periods of market volatility, as long as they remain within the permitted ranges.</p>
Market Risk	The value of our Funds can move up and down due to the overall performance of financial markets, which in turn are affected by factors such as changes in the economy, political events and investor sentiment.	Potential for lower investment returns due to adverse market movements.	<p>The SIPO requires that when making investment decisions the investment managers comply with the investment guidelines, invest in the approved asset classes and maintain diversification between assets and asset classes.</p> <p>Investment managers also actively research markets and keep up to date on market impacts.</p>
Currency Risk	Many of the Scheme's investments are denominated in foreign currencies. As the value of these currencies fluctuate relative to the New Zealand dollar, the value of Funds can change as well.	Potential for lower investment returns due to currency volatility.	The Currency Hedging Policy is documented in the SIPO and defines the requirements for managing currency risk in individual asset classes.
Interest Rate Risk	The market value of fixed interest securities changes when interest rates change. These fluctuations have more impact on funds with more longer-term fixed interest investments.	Potential for lower investment returns due to adverse market movements.	The SIPO requires investment managers to invest in an approved range of securities and places limits on the term of cash and fixed interest investments.
Credit Risk	The value of fixed interest investments is in part linked to the ability of a borrower to meet their future payment obligations.	Potential reduction in the level of returns if the full amount of an investment is not able to be recovered due to the default of a borrower.	Investment managers monitor credit risk exposures on a daily basis and take proactive action to reduce exposure to credit where there is emerging risk.

\* A copy of the latest SIPO relating to MAS Investment Funds can be found at [mas.co.nz/investmentfunds-documents](https://mas.co.nz/investmentfunds-documents) and on the Disclose Register – Scheme Register at [disclose-register.companiesoffice.govt.nz](https://disclose-register.companiesoffice.govt.nz)

Risk type	Risk description	Impact of risk	How we mitigate these risks
Liquidity Risk	Funds are sometimes unable to sell an investment when they want to or are forced to accept a lower price than would be expected in normal conditions.	Potential that the Scheme is unable to meet monetary obligations in a timely manner. Risk of lower investment returns if assets are required to be sold at depressed prices.	<p>The SIPO sets Strategic Asset Allocation benchmarks for the cash asset class for each Fund to ensure sufficient liquidity to meet demands for payments.</p> <p>In addition, the Funds hold a diversified range of assets with a high level of liquidity.</p>
Active Management Risk	Our investment managers actively manage the investments held in our Funds. Decisions made by the investment managers (such as how they will allocate money between asset classes, investment sectors and individual investments) may improve or reduce Fund returns.	Potential for lower returns if our investment managers choose investments that underperform the market or the Fund's benchmark.	The SIPO sets criteria to monitor the performance of our investment managers. We can change investment managers at any time if we are not satisfied with their performance.
Concentration Risk	<p>A Fund(s) investments may be concentrated in a particular region/country, sector or security.</p> <p>The outlook for a specific security, group of securities or region/country may deteriorate due to a variety of factors, including demand for its goods/service, management changes, regulatory changes, competitor activities or geopolitical events.</p>	Potential for lower returns where a Fund invests in a particular region/country, or group or individual securities that do not perform.	Our Funds hold a diversified exposure of assets, to reduce concentration to single region/country, sectors or companies. By diversifying investments, we lower the concentration risk.
Counterparty Risk	The risk that any counterparty subject to a financial contract defaults or is otherwise unable to fulfil its obligations.	Potential for lower investment returns due to a transaction having to be replaced with one on less favourable terms.	When selecting counterparties to transact with, the investment managers follow a due diligence process.
Derivative Risk	<p>Derivatives are financial contracts whose value is dependent on, or derived from, the value of one or more underlying assets (such as equities, fixed interest, commodities, currency, or cash).</p> <p>Derivatives provide exposure to an underlying asset without the need to buy or sell that asset.</p> <p>The Scheme and any funds that the Scheme invest into may use derivatives for the purpose of risk management (particularly in managing interest rate and currency risk), to enhance performance or to optimise investment strategy implementation.</p>	Derivatives may not perform in line with expectations, resulting in unexpected gains or losses and increased volatility.	Investment managers may enter into derivative contracts as permitted under the SIPO. Derivative exposures are monitored daily by investment managers. Derivatives are not used to leverage the Funds as at the date of the current SIPO.



## Other General Risks

The value of your investment and your ability to withdraw, may also be affected by some or all of the general risks outlined in the table below.

Risk type	Risk description	Impact of risk	How we mitigate these risks
Operational Risk	The risk of loss to investors due to a technological, process, people, third party or other failure affecting the Scheme's operations or the financial markets in general.	Potential for failures (caused by technology, people, process, third party, other) to result in lower returns to you, or affect your ability to withdraw from the Scheme.	We and MAS, as the operational manager of the Scheme, have a Compliance and Risk framework in place. In the event of an operational failure, MAS has a Business Continuity Plan in place to manage the resumption of business in a timely manner. We also actively monitor third party providers involved in providing services to the Scheme to ensure contractual and regulatory compliance.
Legislative and Regulatory Risk	The risk that the Scheme is affected by future changes to tax, managed funds, or other legislation.	Potential for lower returns or changed benefits.	We and our legal advisers actively monitor new developments in the regulatory environment. We regularly engage with other market participants and regulators to stay informed of any potential changes.
Tax Risk	<p>The risk of the Administration Manager either over or underpaying tax within the Scheme on your behalf as a result of you providing the Administration Manager with the wrong PIR or not advising the Administration Manager to change your PIR when it needed to be changed or not advising the Administration Manager of your IRD number.</p> <p>If the rate applied to your PIE income is lower than your correct PIR you will be required to pay any tax shortfall as part of the income tax year-end process.</p> <p>If the rate applied to your PIE income is higher than your PIR, any tax over-withheld will be used to reduce any income tax liability you may have for the tax year and any remaining amount will be refunded to you.</p> <p>Tax risk also exists in relation to the types and rates of tax imposed on underlying investments, which can impact on the returns made from that investment.</p>	<p>You are personally responsible for advising us of your correct PIR, and for any underpayment of tax.</p> <p>Changes in taxation may affect the taxable income, Portfolio Investment Entity (PIE) tax paid and/or the returns of the Scheme.</p>	<p>We request that you review your PIR each year and notify us of any changes. Inland Revenue will notify us of any update to your PIR, based on the information they hold.</p> <p>You can provide us with a different PIR.</p> <p>We, and our agents including MAS, its tax advisers and investment managers, actively monitor New Zealand taxation changes.</p>

Risk type	Risk description	Impact of risk	How we mitigate these risks
Risk of losing PIE Tax Status	The risk that if the Scheme loses its PIE status, it will no longer be taxed as under the PIE regime. Your tax treatment as an investor will differ accordingly.	Loss of PIE tax status, and resulting change in your tax rate, could result in lower after-tax returns.	We and our Administration Manager have processes in place to monitor compliance with PIE eligibility.
Borrowing Risk	The risk that where borrowing has occurred in relation to a Fund, the lender would have the right to demand payment from that Fund. If there are insufficient assets in the Fund to repay the loan, the assets of other funds in the Scheme could be used to meet the repayment. The level of borrowings by the Funds is subject to certain conditions in the Trust Deed.	Risk of lower investment returns if assets of one Fund are required to be sold to ensure repayment of obligations of another Fund.	We mitigate this risk by restricting borrowings of the Funds under the Statement of Investment Policy and Objectives (SIPO).
Climate Change Risk	Climate change risk comes from a variety of interacting sources, including threats to physical and natural resources, regulatory requirements and technological improvements. Climate change impacts will vary across different, geographic regions, industry sectors and asset classes.	Lower and/or negative returns.	<p>Through our responsible investment policy, we consider factors that affect the climate. Our investment managers implement our responsible investment policy within the Scheme.</p> <p>We restrict investment in fossil fuels, while targeting companies with credible emissions reductions targets.</p>

## 10. Conflicts of interest

This section provides additional information on conflicts of interest in relation to your investment in MAS Investment Funds.

Conflicts of interest can arise when the interests of the Manager, investment managers or their representatives (including any related entities) diverge from or are inconsistent with the interests of investors in the Scheme. As Manager of the Scheme, we are responsible for identifying and managing any actual, apparent or potential conflicts of interest. Conflicts generally arise where there is the ability for the Manager or investment managers to influence investment decisions for their own benefit.

When we exercise our powers or perform our duties as Manager of the Scheme, we must act in good faith and act in what we believe to be the best interests of investors in the Scheme.

Details of conflicts of interest that currently exist and how they are managed are outlined in the table below.

Nature of conflict	How it is managed
<p>The assets of the Funds are generally invested in wholesale funds for which MFM is also the Manager.</p> <p>A conflict may arise where the Manager 'double-dips' and charges fees to investors in the Scheme and then charges fees to the Scheme's investment in the wholesale funds.</p>	<p>MFM does not charge a fee for the Scheme's investment in the MAS Wholesale Investment Funds, which ensures there is no double-dipping of management fees.</p>
<p>The Funds may invest in assets issued by related parties of the Manager and the lead investment manager.</p> <p>A conflict may arise where the related party of the Manager or investment manager benefits from the transaction. For example, charges additional fees, or exposes the Scheme to a loss of assets.</p>	<p>Related party transactions, including the Scheme's investment in the wholesale funds, must be completed at arms-length and commercial terms and notified to the Supervisor.</p> <p>There are provisions within the Trust Deed and the FMCA that govern the Manager's ability to transact with related parties.</p>
<p>MFM's parent company MAS is responsible for the operational management of the Scheme and MAS directors, senior managers and staff may invest in the Scheme.</p> <p>A conflict may arise if one of these persons attempted to change or influence the investment strategy of the Scheme or a Fund for their own benefit.</p>	<p>MFM has a duty under relevant law to act in the best interests of investors which extends to MAS as the parent of the Manager.</p> <p>MAS has a Conflicts of Interest policy which all directors, senior managers and staff are required to comply with. This policy outlines the processes followed by MAS to identify, declare, manage and mitigate conflicts. Under this policy, directors provide current declarations of interest prior to each Board meeting.</p>

<p>The investment manager appointments are not exclusive to MFM and they may act for other competing fund managers or issuers.</p> <p>A conflict may arise as the investment manager has access to potential commercially sensitive information relevant to the Scheme.</p>	<p>The ISRAs that govern the relationships between MFM and the investment managers, have confidentiality clauses which mitigates the risk of information sharing for potential competitive advantage.</p> <p>JBWere has reasonable arrangements and processes that a prudent person engaged in the business of being a professional investment manager of a registered scheme (within the meaning of the FMCA) would have in the same circumstances for the management of conflicts of interest and conflicts of duty that arise in relation to the services provided under this investment management agreement.</p>
<p>Directors, senior managers and staff of the investment managers may invest in the Scheme.</p> <p>A conflict may arise if one of these persons attempted to change or influence the investment strategy of the Scheme, Funds or wholesale funds to their own benefit.</p>	<p>The investment managers each have a Conflicts of Interest policy and internal procedures in place to identify, assess and manage potential conflicts of interest.</p> <p>MFM has appropriate governance structures in place to review, approve and monitor all investment management policies and activity of the Scheme.</p>

## 11. Trade allocation and execution

Trades for MAS Wholesale Investment Funds (other than foreign currency hedging) in which the Scheme invests, are executed by the underlying investment managers using their respective trade allocation and execution policies. This is designed to ensure that all investors are treated fairly and equitably when trades are allocated across investment portfolios, with respect to priority of execution of orders and in the allocation of trades.

Foreign exchange hedging is undertaken by a registered bank, and the method of trade execution is set out in an agreement for foreign currency hedging services.

## 12. Proxy voting

As an active steward of your money, we arrange for your shareholder voting rights to be used to advocate for 3 core values: people, planet and profit.

We have contracted Institutional Shareholder Services (ISS) as proxy voting agent for the MAS Wholesale Australasian Equities Fund and the MAS Wholesale International Equities Fund, which are MAS Wholesale Investment Funds that the Scheme invests into.

ISS is delegated by us to vote on behalf of the MAS Wholesale Investment Funds in accordance with ISS' Socially Responsible proxy voting guidelines.

Additional information about ISS's proxy voting guidelines is available on their website at [issgovernance.com/policy-gateway/iss-global-voting-principles](https://issgovernance.com/policy-gateway/iss-global-voting-principles)