

Fisher Funds KiwiSaver Plan

Other Material Information

Issued by Fisher Funds Management Limited
26 March 2025



Helping Kiwis achieve their ambitions and enjoy their dream retirement.

This document provides material information about the Fisher Funds KiwiSaver Plan (the Plan) to help you make an informed decision about investing in the Plan. It is an important document and it supports the Plan's Product Disclosure Statement (PDS) and Statement of Investment Policy and Objectives (SIPO), both of which can be found on the Disclose Register or on our website www.fisherfunds.co.nz/kiwisaver-plan/forms-and-documents.

In this document the word 'current' or 'currently' means as at the date of this document and 'you' or 'your' refers to persons who apply to become, or who are, members in the Plan.

The information in this document could change in the future. Please check the offer register at www.disclose-register.companiesoffice.govt.nz for any updates.

Contents

| | |
|--|-----------|
| Description of the Plan and the funds..... | 3 |
| How do funds work?..... | 3 |
| Assets — how they're valued..... | 4 |
| Market indices..... | 4 |
| Who is involved? | 5 |
| Supervisor and Manager indemnity | 6 |
| Winding up and insolvency | 7 |
| Fees and expenses..... | 7 |
| What are the risks? | 10 |
| Understanding your investment | 15 |
| Joining Fisher Funds KiwiSaver Plan and making investments | 15 |
| Withdrawing your investment | 21 |
| Early withdrawals | 21 |
| Ceasing to be a member of the Plan | 25 |
| Suspension or deferral of withdrawals | 25 |
| Transfers from overseas superannuation schemes..... | 25 |
| Tax | 26 |
| Material Contracts | 28 |
| Relevant policies | 28 |

Description of the Plan and the funds

The Plan, offered by Fisher Funds Management Limited (Fisher Funds, we, us, or our), is a KiwiSaver scheme established on 2 April 2007 and registered as a managed investment scheme under the Financial Markets Conduct Act 2013 (FMCA). The Plan gives you a choice of the following funds (each a fund and together funds) to invest in:

- the Cash Fund
- the Default Conservative Fund
- the Conservative Fund
- the Default Fund
- the Balanced Fund
- the Growth Fund
- the Aggressive Fund

The Plan is a trust governed by a Trust Deed between Fisher Funds and Public Trust (the Supervisor). The Trust Deed sets out how the Plan must be administered. It can be amended by the Supervisor and us.

In addition to the seven funds noted above, the Plan also includes the CashPlus Fund. This fund closed to new investors on 1 April 2019.

The Plan is available to most New Zealanders including:

- people who apply and are eligible to join;
- employees of employers who choose the Plan as their preferred KiwiSaver scheme; and
- people who are automatically enrolled and allocated to the Plan.

How do funds work?

The money you invest buys units in your choice of one or more funds based on the price per unit called the unit price. Therefore, each unit you own represents a share of a fund. Your money will be pooled with other investors' money and invested by us. The unit price is calculated each business day so that you'll know what your share of a fund is worth.

We invest only in assets described in the SIPO. The value of these assets can change daily, and this will affect the price of the units in a fund. A price fluctuation however will not change the number of units you hold. For example, if the value of the assets goes up, your units in a fund will be worth more and if the value of the assets falls then the units will be worth less.

Each unit in a fund has the same value as every other unit in that fund. Each unit represents equal interests in, and rights to, the assets of the fund. A fund may issue any number of units.

While you buy units in a fund, the units you hold do not give you any interest in any particular asset of that fund. This means that you cannot for example, ask us to transfer to you any underlying shares or property.

We, as the Manager of the Plan, don't hold your money or own a fund's assets. The custodian, a company independent of us, holds all a fund's assets on behalf of investors. All monies which we (or an agent) receive for investment in a fund are paid into a separate bank account maintained by the custodian.

Assets — how they're valued

Listed assets¹ held by a fund are usually valued each business day. We use an industry standard valuation method based on the last sale price of each listed asset (except where the last sale price falls outside the bid-ask spread, in which case the bid price is used) as at the close of business on each valuation day. If a fund is invested in underlying assets in offshore markets this may cause a delay in pricing of several days. This is because we must wait for the relevant markets to close before we can obtain the last sale price. Public holidays can also delay price availability.

Unlisted assets held by a fund are not usually valued each business day and are instead valued periodically (which, depending on the nature of the asset, could be quarterly, or less frequently) in accordance with our valuation policies. Additional valuations may be conducted in response to significant events, such as changes in market conditions, asset outlook, financing rounds, or liquidity events. Valuations may be performed internally or externally by an appropriate valuation expert and in accordance with the Manager's policies.

The unit price is calculated by dividing the net value of a fund's assets by the number of units issued in that fund. Our current Unit Pricing and Valuation Policy and Unlisted and Suspended Securities Policy, available at fisherfunds.co.nz/policies-and-privacy, set out guidelines for valuing assets that are illiquid.

Market indices

Market indices are used to measure the change in value of specific groups of assets in recognised investment markets e.g. the New Zealand share market. An increase in the value of these assets will lead to a corresponding increase in the value of the market index.

The market index return for a fund refers to the percentage change in the appropriate market index over a given period. As an example, the current market index (sometimes referred to as the benchmark) used for New Zealand shares is the S&P/NZX50 Gross Index including imputation credits. We use a market index return to measure the relative performance of a fund compared to the market performance of the assets it invests in.

Where a fund invests in only one type of asset, or where the combination of its assets predominantly reflects the characteristics of one asset class, the market index return for that fund may be the return of one market index. This is the case for the Cash Fund, where the market index used is the S&P/NZX 90-day Bank Bill Index.

¹ Listed assets are investments such as shares, bonds, exchange-traded funds or other securities that can be regularly traded (bought and sold) on a public stock exchange, like the New Zealand Stock Exchange (NZX) or the New York Stock Exchange (NYSE). Unlisted assets are not traded on a public stock exchange and include investments such as private equity (companies that are not listed on a stock exchange), direct property (buildings or land) and unlisted funds.

Where a fund invests in more than one asset type (e.g. shares and fixed interest) several market indices are used. The market index return is therefore a combination or composite return and is calculated using the weighted average of the market indices. In other words, if a fund's strategy is to invest in four different asset classes equally, the fund's market index return will be 25% of the return of each market index. The SIPO outlines which market indices are used for each fund.

Other than the Default Fund, our actual investment portfolios do not necessarily try to mirror market indices and your returns could differ materially from them. This is because we actively choose securities and determine their weighting in the portfolio. The Default Fund is managed using both active and enhanced passive investment management styles. Enhanced passive is an investment management technique aimed at adding incremental value to a portfolio's return without wide variation from the index return.

Who is involved?

Manager

Fisher Funds is the Manager of the Plan. We are responsible for issuing and administering the Plan and managing and investing the assets in the funds. We may delegate some of these duties to third parties. We may use third party managers to manage assets for us either directly or through underlying funds.

Appointment and removal of the Manager

The Plan must have an appropriately licensed manager who is not an Associated Person² of the Supervisor.

The Supervisor may remove us as Manager if they think it's in the best interest of investors and may appoint a new manager, however if we retire as Manager we may appoint a new manager. Our removal or retirement will not take effect until a new manager has been appointed.

Investment Management

Investment management is governed by the SIPO.

The Plan's assets may be invested with related parties related to the Manager or persons providing investment management services provided any related party transactions are conducted in accordance with the requirements of the Financial Markets Conduct Act 2013 or there is no related party benefit.

Supervisor

The Supervisor of the Plan is Public Trust.

Details of the Supervisor's directors, which may change from time to time without notice, are available at disclose-register.companiesoffice.govt.nz/.

The Supervisor is licensed under the Financial Markets Supervisors Act 2011 to act as a supervisor for a range of financial products, including the Plan.

Further information about the Supervisor's licence is available on the Financial Markets Authority website (fma.govt.nz) and on the Financial Service Providers Register website (companiesoffice.govt.nz/fsp).

² Has the meaning given to it in the Financial Markets Conduct Act 2013.

Custodian

The Supervisor, after having consulted us, may appoint one or more custodians to look after the assets of the Plan. The current custodian of the funds is Public Trust. Assets may be registered in the name of Public Trust or in the name of appointed sub-custodians.

The custodian or sub-custodian may change, however we will ensure any new custodian has the appropriate skills and experience prior to the Supervisor ultimately appointing them.

Referrals

Registered banks

From time to time we may have arrangements with registered banks for those registered banks to refer prospective clients to the Plan for fulfilment of their wealth needs.

Where registered banks refer prospective clients to the Plan, we or any of our related entities may pay a fee to that registered bank for the referral.

Other third party referrals

In some instances, Fisher Funds may pay a third party service fee to financial advice providers including financial advisers for referral of clients to the Plan. Currently third party service fees can include a one-off introduction fee of up to \$20, and/or a percentage-based fee of up to 0.25% per annum of a client's balance for all funds except the Default Conservative Fund and the Default Fund. Fisher Funds pays third party service fees for the origination and ongoing servicing of clients.

Registrar

Apex Investment Administration (NZ) Limited has been appointed to be the registrar of the Plan and undertakes some of the administration management functions in respect of the Plan.

Supervisor and Manager indemnity

Subject to relevant law, if either we or the Supervisor are held personally liable to any other person in respect of any debt, liability or obligation, incurred by or on behalf of the Plan or a fund, or any action taken or omitted in connection with the Plan or a fund, then we or the Supervisor (as applicable) are entitled to indemnity and reimbursement out of the assets of the Plan or fund to the full extent of such liability and the costs of any litigation or other proceedings in which such liability has been determined (including, without limitation, legal fees and disbursements).

This indemnity does not cover losses or damages arising from us failing to meet the standard of care required under the Trust Deed.

You also indemnify the Supervisor and us for tax paid on income attributed to you by the Plan. This indemnity only applies if your interest in the Plan is not sufficient to meet any tax liability on income attributed to you.

Fisher Funds and the Supervisor have a first claim on the assets of the Plan for any indemnity. The indemnity also extends to any payment made to a person in good faith although it may be later found that the person was not entitled to it.

If we or the Supervisor rely on this indemnity, the value of your investment may decrease.

Winding up and insolvency

Subject to the Trust Deed, we may close, wind up, alter or amalgamate any fund as and when and on such terms and conditions as we determine except the Default Fund. We can only close wind-up, alter, or amalgamate the Default Fund if permitted by the Instrument of Appointment. If you are affected by the closure or wind-up of a fund, we will notify you and give you the option to elect to transfer your contributions, and that part of your account invested in the relevant fund, to another fund that we offer to you. If you fail to make an election to transfer to a different fund, then subject to the relevant law and Trust Deed your contributions, and that part of your account invested in the relevant fund, will be invested in another fund as we may from time to time advise.

The Plan may be wound up if we so decide, if a special resolution of members is passed to wind up the Plan, or if we are required to do so by law, or by order of the court (on the application of the Financial Markets Authority or the Supervisor).

In the event that the Plan or any of the funds become insolvent, there's no further obligation for you to pay any money to any person.

If the Plan is put into liquidation or wound up, any claims by creditors (e.g. fees owing to the Supervisor for services) will rank ahead of you. After payment of all creditors, you'll rank equally with all other members in the fund. You will not have your savings returned to you, rather they will be transferred to another KiwiSaver scheme.

A copy of the current Trust Deed and Instrument of Appointment can be found on the Disclose Register disclose-register.companiesoffice.govt.nz.

Fees and expenses

You will be charged fees and expenses for investing in the Plan, and these are detailed below.

Manager's Basic Fee

The amount of the manager's basic fee you pay may vary depending on the funds you are invested in and your member account balance.

Can the Manager's basic fee change?

Under some circumstances the Manager's basic fee could change. We would need the Supervisor's agreement, or for the Default Fund, the approval of the relevant Government minister. Any changes would have to be permitted by the Plan's Trust Deed, Instrument of Appointment (in respect of the Default Fund) and the KiwiSaver Act 2006. We must inform members of any increase to the annual management fee in advance, and in writing.

We may charge any member, or group of members, fees at a lower rate or amount than is shown in this document or the Plan's PDS, or waive or rebate such fees to such members.

We may also, with the Supervisor's consent and subject to the Trust Deed and the KiwiSaver Act 2006, change the fee structure for any fund (including, without limitation, adding, changing or removing any member account balance thresholds at which you may become eligible to pay a lower fee). However, the fees for the Default Fund may only be increased by variation of the Instrument of Appointment.

The current fee limits can be increased up to a maximum of 2% plus GST if any, if we and the Supervisor agree that an increase is required to cover additional regular ongoing costs that arise.

Other than stated previously, we and the Supervisor have no ability to increase the Manager's basic fee without the consent of all affected members and, if applicable, the approval of the relevant Government Minister.

An estimate has been used to calculate total annual fund charges as specific other management and administration charges may vary. Those other management and administration charges are a reasonable estimate of future costs and expenses likely to be charged based on a combination of forecast expenses and historic expenses charged to the funds, and the underlying funds, which the Plan invests into.

An estimate has been used to calculate the Manager's basic fee for the GlidePath options set out in the PDS. The estimate is calculated based on the annual fund charges for the Plan fund(s) as at the stated age. The actual Manager's basic fee will vary based on the performance of the Plan fund(s) and the proportion invested in each Plan fund between the GlidePath ages.

Supervisor, registry, custody, unit pricing and investment accounting fees

Public Trust, acting in its role as Supervisor is entitled to receive fees for its services.

Apex Investment Administration (NZ) Limited, provides certain administration services such as registry services, unit pricing and investment accounting and is entitled to receive fees for its services.

Public Trust acting in its role as Custodian is entitled to receive fees for its services.

These expenses, including GST where applicable, are included in the annual fund charges in the quarterly fund update for each fund, available at fisherfunds.co.nz/kiwisaver-plan/forms-and-documents.

Manager and Supervisor expenses

With the exception of the Default Fund, we and the Supervisor are entitled to be paid or reimbursed for any costs, charges and expenses properly incurred in respect of the Plan where the following apply:

- both we and the Supervisor must consult and agree before such costs, charges and expenses are incurred; and
- a prudent professional supervisor or manager (as appropriate) would consider it reasonable to incur such costs, charges and expenses in order to comply with its obligations and duties under the Plan's Trust Deed and at law.

These expenses, including GST if any, are apportioned between the funds or clients' accounts to which they relate at our discretion. The amount of these expenses cannot be determined until they are incurred and will vary from time to time. The total expenses incurred will be reported in the Plan's annual financial statements.

The above rights for reimbursement do not apply in relation to the Default Fund unless approval is received from the relevant Government Minister.

Cash Fund, Default Conservative Fund, Conservative Fund, Balanced Fund, Growth Fund and Aggressive Fund

- These expenses are paid out of the assets of the funds and reflected in their respective unit prices. The amount of these expenses cannot be determined until they are incurred and will vary from time to time. Those expenses will indirectly affect the returns of the fund.

Investment in other funds

Cash Fund, Default Conservative Fund, Conservative Fund, Balanced Fund, Growth Fund and Aggressive Fund

- In addition to directly acquired assets, each of the funds currently invests in wholesale funds that are also managed by us. The funds in the Plan generally do not incur a management fee on investments in these wholesale funds, or in the instance that a fee is incurred, Fisher Funds fully rebates the management fee on the wholesale fund.
- The funds and the underlying funds they invest into may also invest in other funds managed by third parties not associated with us. Those funds may charge fees, including entry fees, exit fees, performance-based fees and management fees, and incur expenses. The estimated fees for investing in third party funds has been estimated using end of month holdings and the total expense ratio (TER) stated in the underlying funds' disclosure statements.

Balanced Fund, Growth Fund, and Aggressive Fund

- These funds may gain exposure to private equity investments through funds or entities related to Fisher Funds that provide for a share of profit (known as carried interest) to be paid to a related Fisher Funds entity. Carried interest is a share of proceeds which becomes payable on the realisation of the private equity investments. Any carried interest is included within the valuations of the Fund's underlying investments at a frequency consistent with the valuation cycle for those investments. The value of carried interest for a particular investment can rise and fall in line with performance. An estimate of the carried interest will be included in future versions of this document, once the payment criteria have been met and a reasonable estimate can be determined, likely to be several years away.

The amount of the fees and expenses, including GST if applicable, of any underlying funds is included in the annual fund charges in the quarterly fund update for each fund, available at fisherfunds.co.nz/kiwisaver-plan/forms-and-documents.

Buy/sell spreads

Although under normal trading and market conditions we do not apply buy and sell spreads, we may choose to do so. For example, during a period of market volatility with the aim that transaction costs associated with members buying or selling units, or switching between funds, are met by those members and not the other members in those funds.

There are transaction costs when the underlying assets of a fund are bought and sold. These impact the fund's unit prices. To reflect the likely transaction costs of selling underlying assets we can apply a sell spread to members' withdrawals (including switches) from a fund. Similarly, a buy spread can be applied to members' investments (including switches) into a fund to reflect the likely transaction costs of buying

underlying assets. Any buy or sell spread is retained by the fund to offset transaction costs and is not a fee paid to us.

You can find out if any buy or sell spreads have been applied at fisherfunds.co.nz/spread-pricing.

What are the risks?

There's always some risk when you invest and the level of risk varies depending on what you invest in. The level of risk is usually related to the possible return you might achieve from your investment. For example, investing in shares is likely to give you a higher return, however shares come with more risk than say fixed interest investments.

Investments in the Plan are not guaranteed by the Crown, Fisher Funds, the Supervisor, or any other person or company and nor does any party promise the repayment of, or returns on, investments in the Plan. The value of your investment can go up but it can also go down and this positive and negative movement is called volatility. You may not recover the full amount you've invested or receive any returns on your investment.

As a general rule, cash and fixed interest investments (called income assets) tend to be less volatile than commercial property, shares and alternative investments like derivatives or foreign exchange (called growth assets). Therefore the greater the proportion of growth assets in a fund, the greater the potential to experience negative returns over the period of your investment. However, higher risk investments also have the potential for higher returns.

When using external investment managers (including where the Plan invests in managed funds), diversification, liquidity, cost/fees (either or), potential risk and returns, and tax efficiency are considered. Consideration is also given to the credentials and track record and transparency of the external investment manager.

Fisher Funds oversee this risk on your behalf. On the following pages we outline the risks associated with investing in the Plan and how we manage those risks. It is important to note that no mitigation strategy can eliminate all risks associated with investing.

General investment risks

The following risks (summarised in Section 4 of the PDS) are some of the things that may cause a fund's value to move up and down, and which affect the risk indicator score for the funds.

| Type of risk | Description | How we manage it |
|--------------------------------|--|---|
| Investment returns risk | Different types of investments have different risks and perform differently at different times. For example, the return on growth assets tends to go up and down more than the returns from income assets. This means short term fluctuations in the value of a fund are common, especially for funds that invest mostly in growth assets like shares. | <p>Our minimum quality criteria must be met before any investment is included in a fund's portfolio.</p> <p>We develop, with the consent of the Supervisor, a SIPO which describes the allowed investments, exposure levels and</p> |

| | | |
|--------------------------------|---|---|
| | | <p>investment criteria for the investments held in the funds.</p> <p>We regularly monitor the holdings of the funds to ensure they remain within the criteria specified in the SIPO.</p> <p>We may visit companies or seek additional information in respect of investments held to be satisfied of their ongoing suitability.</p> |
| Market risk | Investment market performance can be affected by economic conditions such as investor opinion, inflation, employment rates and interest rates (including negative interest rates). Political events, and environmental and technological issues also impact investment market performance. | We keep our knowledge of various market factors up to date through a review of economic data both locally and internationally, as well as conducting our own research. This information is used when making investment management decisions. |
| Climate change risk | The market value of an investment may change due to the impacts of climate change. Climate change impacts may include damage to physical assets (from severe weather events) and changes in market sentiment or increased government regulation in response to the threat of climate change. | Climate change risk is one of the many risk factors considered in our investment process. We may consider both the risks and the opportunities of climate change when evaluating an investment. |
| Currency risk | Investments in foreign assets are bought and sold with foreign currency, and the funds may hold foreign currencies directly. The value of the foreign assets and currency can change (up or down) when there are movements in the exchange rate between the New Zealand dollar and the foreign currency. | Where we can, we monitor the currency positions and may adjust the hedging levels of the currency exposure attributable to the holdings of the overseas assets. |
| Investment manager risk | How we choose to allocate each fund's investments (and the investment decisions made by the managers of any underlying funds in which we invest) will affect that fund's returns. In particular, our investment style may result in our returns differing from any market index and from competing investments. | <p>We maintain an up-to-date knowledge of various market factors through a review of economic data both locally and internationally while also conducting our own research. This information is then taken into consideration when making investment management decisions.</p> <p>We assess external managers and monitor their performance and compliance with investment guidelines to ensure they are taking appropriate measures to</p> |

| | | |
|---------------------------|---|---|
| | | <p>mitigate their own investment manager risk.</p> <p>We aim to complete a review of the strategic asset allocation for the funds every two years to ensure we take into account updated capital market assumption.</p> |
| Credit risk | <p>The issuer of a security, an institution that we deposit funds with, or a third party that provides a guarantee for either may not honour their obligations, fail to complete transactions, or may become insolvent. If this occurs you may not recover the full amount of your investment in that fund.</p> | <p>We analyse the creditworthiness of the issuers we purchase securities from, institutions we choose to deposit funds with, and third parties that provide a guarantee for either.</p> |
| Counterparty risk | <p>A party to an investment contract may not honour their obligations, or fail to complete a transaction, or may become insolvent. If this occurs in any of the investment contracts held by a fund, you may not recover the full amount of your investment in that fund.</p> | <p>Fisher Funds deals with reputable brokers and trading platforms. For physical securities our preference is to pay on delivery of the financial instrument. For derivatives and over the counter contracts we ask counterparties to post collateral against unrealised losses to minimise potential losses in the event of default. Not all counterparties post collateral.</p> |
| Interest rate risk | <p>Fixed interest investments may become more or less valuable depending on changes in interest rates. If market interest rates rise, existing fixed rate investments become less valuable because new fixed interest investments will pay the current, higher rate of interest, and vice versa when market interest rates fall.</p> <p>Interest rate risk is more applicable to funds that invest mostly in income assets such as fixed interest securities.</p> | <p>Where possible, we consider the expected impact of economic factors on interest rate sensitivity (i.e. the impact a change in interest rates will have) when selecting investments for the funds.</p> |
| Liquidity risk | <p>Low liquidity can affect the ability of the fund to make payments when needed (such as meeting withdrawal requests) and the fund may receive a lesser amount than expected if the assets have to be sold quickly and there are few buyers. Investment in unlisted assets increases liquidity risk, which applies</p> | <p>We operate a portfolio liquidity risk management framework to help ensure that portfolios are well-positioned to withstand stress scenarios and to allow portfolios to potentially take advantage of opportunities provided by market dislocations.</p> |

| | | |
|-----------------------|--|--|
| | particularly to any unlisted assets that the funds may hold. | |
| Valuation risk | A Fund may invest in unquoted and/or illiquid investments, which carry the risk of valuation uncertainty. In such cases, a verifiable and objective market value may not be readily available, potentially affecting the returns of that fund. | Such investments are valued internally or externally by an appropriate valuation expert in accordance with our valuation policies. |

Other risks

The following are either risks that do not currently significantly impact the risk indicator scores, but may impact future fund returns or other risks currently associated with investing in the funds.

| Type of risk | Description | How we manage it |
|--|---|---|
| Unfulfilled investment objectives | There is no guarantee that the funds will achieve the investment objectives set out in the SIPO and these objectives should not be taken as a guarantee or assurance of returns. A failure to meet investment objectives would affect the value of the relevant fund. | We regularly monitor the returns of the assets held by the funds. We may alter the mix of investments held if our analysis indicates that this could better achieve the funds' objectives. Any amendment to the SIPO objectives must be made with the consent of the Supervisor to ensure members' best interests are considered. |
| Inflation | Inflation is a term used to describe the rise of average prices through the economy. Simply, inflation refers to the increased cost of living. There is a risk that if you receive returns from your investment in the Plan that are less than the rate of inflation, you may not be able to buy as many goods and services with your money as when you initially invested in the Plan. Inflation may impact on real returns. | Some investments may perform better than others during periods of inflation and we consider this when we design portfolios. |
| Derivative risk | A derivative is typically a financial contract such as futures contracts or swaps, whose value depends on the future value of its underlying assets such as shares, bonds, currency or cash. Derivatives may be used as an alternative to investing in a physical asset, or as a risk management tool, providing a similar exposure to the | The funds and the underlying funds may use derivatives to gain exposure to assets that are consistent with the SIPO or to manage currency exposures. |

| | | |
|---------------------------------------|--|--|
| | investment without buying or selling the asset underlying the derivative. | |
| | Any risks which can affect the physical asset can also affect the derivative and therefore their use may not remove all exposure they are intended to manage. | |
| Operational or systems failure | Risks may arise from a process failure, fraud, litigation, disruption to business by reason of an industrial dispute, system failure, natural disaster or other unforeseen event affecting the funds (or the markets generally). | Business continuity plans are in place for periods of business disruption caused by unforeseen circumstances. |
| Key personnel | The success of each fund depends to a significant extent upon us, or any external managers, continuing to employ a number of key personnel. Profiles of the Fisher Funds investment team can be found at fisherfunds.co.nz/team . | To minimise turnover, Fisher Funds fosters an environment which attracts and retains key personnel, while at the same time operating in a collaborative manner therefore minimising key personnel risk. |
| Legislative and regulatory | Returns may be affected by any legislative or regulatory changes in both New Zealand and offshore, which could have an impact on any investment or the markets in which they operate. Changes to legislation could have a significant impact on the Plan and your investments in the funds. | We keep abreast of proposed legislative and regulatory changes that may influence our investments, business or the markets in which we operate. When necessary we make submissions to ensure our clients and our business interests are represented. |
| Taxation | Changes in taxation rates or tax rules in New Zealand or overseas may affect the value of the assets of the funds and/or your return. | We consider taxation implications when selecting investments. When changes in taxation are proposed, we review them to understand any impact on existing investments, fees and/or your return. |
| PIE status | Should the Plan fail to satisfy the PIE eligibility criteria necessary to retain PIE status, this could result in the Plan being taxed at a higher rate than the individual Prescribed Investor Rate (PIR) of members. It may also result in the funds being taxed on investment gains that are not taxable for a PIE. | We monitor factors influencing the Plan's PIE status on a regular basis and have processes in place to minimise potential breaches of PIE eligibility criteria, which may include adjusting a member's unitholding to maintain PIE status. |
| Borrowing | Where permitted by the SIPO we may borrow on behalf of the funds and this may include borrowing against the assets of a fund. This may exaggerate the effect of any increase or decrease in | Portfolios are subjected to stress testing to monitor the impact of borrowing on the risk profile of the funds. |

the value of the assets of the fund and increase the risk of insolvency.

Under our current investment strategies this risk is predominantly relevant to funds that invest in unlisted property assets. The funds may invest in other funds, which may borrow from time to time.

Understanding your investment

Joining Fisher Funds KiwiSaver Plan and making investments

It's easy to join or transfer to the Plan and the process of joining, and who can join is outlined in the Plan's PDS.

If you start a new job and you're not already a KiwiSaver member (and you are over 18 and under 65 years of age), your employer will automatically enrol you in KiwiSaver. If you are an existing employee you can choose to opt into KiwiSaver through your employer by providing a completed KiwiSaver deduction notice.

If you have been automatically enrolled or you have opted in to KiwiSaver, you may be allocated to the Plan, because:

- your new employer has chosen us as their preferred KiwiSaver provider, by agreement with us or by notice to the Commissioner of Inland Revenue; or
- you have not chosen your KiwiSaver scheme, your employer doesn't have a preferred KiwiSaver scheme and Inland Revenue has allocated you to the Plan as one of the Government appointed default KiwiSaver schemes.

If you are automatically enrolled in the Plan in accordance with the above, you will be deemed by the KiwiSaver Act 2006 to have been offered membership of the Plan and as having subscribed for membership of the Plan. This will be the case unless you have chosen your own KiwiSaver scheme within 62 days of the Commissioner of Inland Revenue receiving the first contribution made to a KiwiSaver scheme on your behalf. If you've been automatically enrolled because you started a new job, you can either stay in KiwiSaver, or you can opt out by completing an opt-out request form. You have 55 days after the date you start your new job to opt out. This time limit can be extended in some circumstances. You cannot opt out if you opted in (even if your parents or legal guardians opted you in).

If you complete an application form and the application is accepted you will become a member.

All contributions that Inland Revenue receives on your behalf during the 62-day period after the earlier of the date Inland Revenue receives your first KiwiSaver contribution and the date when Inland Revenue is given notice (or otherwise knows) that you are a member of the Plan will generally be forwarded to the us as soon as practicable after the end of that period. During that 62-day period contributions will be held in an Inland

Revenue holding account and will accumulate interest at the Commissioner's rate. The 62-day period may be extended until the amount contributed meets any minimum threshold amount agreed between us and Inland Revenue (there currently is no minimum).

If you are automatically enrolled or opted in through your employer you can still choose your own KiwiSaver provider, provided you do so within 62 days of joining KiwiSaver. If you don't make a choice, you will be allocated to and become a member of a scheme your employer has chosen, or a Government default scheme. However, you can transfer to another KiwiSaver scheme at any time.

GlidePath

GlidePath is a service that automatically invests your savings in a fund or mix of funds depending on your age; it's not a separate fund.

Until age 28 you will be invested in the Aggressive Fund with a 100% allocation to growth assets. Every year from age 28, we adjust how your investment balance and future contributions are invested in a mix of funds. From age 28, on average your allocation to growth assets reduces by 1.2% per annum.

The GlidePath model is based on assumptions regarding retirement age, life expectancy and expected returns for each asset class. If any of these factors change significantly, we'll amend our model. This could result in a one-off change to your asset allocation to bring it into line with our new model, and could mean that the details above will change. We will contact GlidePath members when their mix of funds is changed. The table below shows when annual changes will occur:

| If your birth month falls in: | Your mix of funds will be changed on or about: |
|-------------------------------|--|
| January | 15 February |
| February | 15 March |
| March | 15 April |
| April | 15 May |
| May | 15 June |
| June | 15 July |
| July | 15 August |
| August | 15 September |
| September | 15 October |
| October | 15 November |
| November | 15 December |
| December | 15 January |

For example, a member born on 20 May 1996 will turn age 29 on 20 May 2025 and be rebalanced on or about 15 June 2025.

The times at which we buy and sell units in the funds to achieve your new asset allocation are preset and do not take into account market conditions at the time.

There are no additional charges to take part in GlidePath. GlidePath does not take into account all your personal circumstances and may not be suitable for you, as it's based on saving for your retirement. For example, it may not be suitable if you plan to use KiwiSaver for your first home.

GlidePath also does not take into account your personal risk tolerance and may not be suitable if you're particularly cautious when it comes to investing.

You can opt into GlidePath at any time. You can also opt out of GlidePath at any time by completing a switch form, which asks you to choose your own fund or mix of funds to invest in. Fisher Funds reserve the right to remove the GlidePath service and we'll give you two months' notice if this happens. If GlidePath is no longer available then you'll remain invested in the combination of funds you were in when GlidePath closed or you can choose which fund or funds to reinvest in.

We can change any of the terms relating to GlidePath, including, without limitation, the assumptions, fund allocations, and rebalancing timing or frequency without prior notice to you.

Salary and wage earners

If you're working and a KiwiSaver member there is a minimum contribution rate of 3% of your before tax salary or wages.

Alternatively, you can choose to contribute 4%, 6%, 8% or 10%. Your contribution is deducted from your after tax salary or wages. You have the flexibility to change your contribution rate once every three months, or more often if your employer agrees. You can request a change to your contribution rate by notifying your employer, us or via your online myIR account. If you don't make a contribution choice, your rate will be set at the minimum (currently 3%). Contribution rates are set by legislation so the Government could change them at any time.

If you're paid through the PAYE system, your contributions are deducted from your earnings and paid to Inland Revenue by your employer. If this is the first KiwiSaver scheme that you join, Inland Revenue will hold all contributions it receives for you in an interest-bearing account (at a rate set by Inland Revenue) for 62 days before passing those contributions to us.

If no tax deductions are necessary from your salary or wages under the PAYE rules (and you're not a private, domestic worker) then you don't need to contribute to KiwiSaver from your salary or wages.

Your current contribution rate will follow you if you transfer from another KiwiSaver scheme without changing jobs. However, if you do change jobs your contribution rate will be set at the minimum unless you notify your new employer of a new rate.

You can make extra contributions to KiwiSaver as often as you wish through Fisher Funds by using the bill payment function in internet banking, or through Inland Revenue by internet banking using the "Pay tax" function.

Employer contributions for salary and wage earners

If you're contributing, your employer is also required to make regular contributions to your KiwiSaver. They'll contribute a minimum of 3% (or can choose to contribute more — check these details with your employer) of your before tax salary or wages (excluding, government parental leave payments and ACC compensation) if you're:

- over 18; and
- under 65; and
- not on a savings suspension and are contributing.

Your employer contributions may be split between your Fisher Funds KiwiSaver Plan and another superannuation scheme you're a member of, subject to certain criteria. If you joined a superannuation scheme offered by your employer prior to 1 April 2008, that was registered before 17 May 2007 (or could join such a scheme under a collective agreement that was in force before 17 May 2007), any contributions required to be paid by your employer to that scheme may count towards the compulsory employer contributions required for the Plan to the extent they vest within the first five years of being paid.

Your employer will deduct Employer Superannuation Contribution Tax before paying any contributions to the Plan. Your employer can choose to stop making employer contributions once you are entitled to withdraw your investment, having reached the age of 65.

If you take paid parental leave from your workplace and you're receiving government-funded paid parental leave payments, you can choose to have KiwiSaver contributions deducted from your payments. If you do so, Inland Revenue will make employer contributions of 3% and will deduct Employer Superannuation Contribution Tax before paying any contributions to the Scheme. If you are receiving a wage or salary during your paid parental leave, your employer will continue to deduct KiwiSaver contributions unless, you have a savings suspension.

Once you've reached the age of 65 you can opt out of this requirement, however if you do so you will forgo your entitlement to compulsory employer contributions and government contributions (see below).

If you have made a life-shortening congenital condition, your employer doesn't have to make contributions to your KiwiSaver account – but they can if they wish.

Self-employed or not in paid employment

If you're self-employed or not in paid employment, you can choose to make regular contributions or lump sum payments of any amount at any time.

If you're self-employed and also an employee then you're required to contribute to the Plan only out of your after-tax salary or wages from that employment.

Children

If you're under 18, you or anyone on your behalf, can make regular contributions or lump sum payments of any amount at any time. If you're under 18 and start working and are paid through the PAYE system, your employer will make your contributions however, employers do not need to make employer contributions until you reach the age of 18.

Additional contributions

Other people, including your employer, can make additional contributions to the Plan at any time. We may accept other contributions payable to the Plan and may impose terms and conditions.

Additional contributions may be made by:

- Payment to Inland Revenue or

- Bill payment or transfer from your internet banking or
- By completing a direct debit form available on fisherfunds.co.nz/kiwisaver-plan/forms-and-documents.

You have the flexibility to stop or change your regular contribution amounts at any time by writing to us.

How are contributions processed?

A 'valuation day' is a day on which we value the relevant fund. Valuation days will generally occur every business day.

We may change the valuation day, or the frequency of valuation days, by giving written notice to the Supervisor.

Contributions will generally be processed as follows:

- contributions we receive before 5pm on a valuation day will be processed based on the value of the relevant fund's assets on that valuation day; and
- otherwise, your contributions will generally be processed using the value of the relevant fund applicable to the next valuation day.

Government contribution

You may also receive a government contribution of up to \$521.43 a year (50 cents for every \$1 you contribute up to a maximum of \$1,042.86) as long as you are between the ages of 18 and 65 and live mainly in New Zealand. Your contribution must be received by us no later 30 June of each year.

In the first year of membership, the government contribution is calculated from the date your first contribution is received to 30 June following that contribution. In the year that you turn 65 the government contribution is calculated from the preceding 1 July to your 65th birthday.

Fisher Funds will collect your government contribution from Inland Revenue every year (or partway through the year if you cease your KiwiSaver membership and are entitled to a government contribution) and allocate it across the funds you're invested in. If you also have contributions credited to a complying superannuation fund, the government contribution will be paid to the scheme that requests it first. The Government may change the amount of the government contribution in the future.

If you have made a withdrawal for a life-shortening congenital condition, you will be treated as having reached your KiwiSaver end payment date.

Savings suspension

If you've been contributing to KiwiSaver for one year, you can apply to Inland Revenue for a savings suspension, which can be between three months and one year. If you're on a savings suspension your employer may reduce, suspend or stop their contributions too.

If you're suffering, or likely to suffer, financial hardship (and Inland Revenue has received at least one contribution from you) then if you apply, Inland Revenue may grant you a savings suspension of three months or longer.

Inland Revenue will notify you before your savings suspension ends and then you can apply for another savings suspension if necessary.

You may resume contributing at any time by asking your employer to start making deductions from your salary or wages.

Rebalancing

If you invest in more than one fund, market movements may result in the proportions of your investment differing from the proportions you chose when setting your investment direction.

Unless you opt out, or have elected for your future contributions to be allocated in different proportions to your current balance, we will rebalance your account on a quarterly basis to ensure it remains in line with your chosen investment direction.

We will only rebalance your account if, as at the rebalancing date, the percentage of your account invested in one or more of your selected funds differs by 5% or more from the percentage specified in your investment direction.

For example:

If you have chosen a 50/50 mix of the Conservative Fund and the Growth Fund:

- If, at the rebalancing date, 40% of your investment is in the Conservative Fund and 60% is in the Growth Fund, we will rebalance your account so that 50% is invested in the Conservative Fund and 50% is invested in the Growth Fund.
- If, at the rebalancing date, 46% of your investment is in the Conservative Fund and 54% is in the Growth Fund, we will not rebalance your account.

If you have chosen a mix of 10% Conservative Fund, 30% Balanced Fund, and 60% Growth Fund:

- If, at the rebalancing date, 4% of your investment is in the Conservative Fund, 32% of your investment is in the Balanced Fund, and 64% of your investment is in the Growth Fund, we will rebalance your account so that 10% is invested in the Conservative Fund, 30% is invested in the Balanced Fund, and 60% is invested in the Growth Fund.
- If, at the rebalancing date, 6% of your investment is in the Conservative Fund, 32% of your investment is in the Balanced Fund, and 62% of your investment is in the Growth Fund, we will not rebalance your account.

Rebalancing will occur during March, June, September, and December.

The actual rebalancing dates will be determined at our discretion (for example, rebalancing may occur midmonth during March, June, September, and December, rather than on the final day of those months).

If you have selected GlidePath, your account will be rebalanced annually, based on your age as described under the heading 'GlidePath' on page 16.

If you have elected for your contributions to be allocated in different proportions to your current investment strategy, for example if you have chosen a mix of 90% Conservative Fund and 10% Aggressive Fund and you have elected to have your contributions allocated 50% to the Aggressive Fund and 50% to the Balanced

Fund we will not rebalance your account as your contributions are being allocated in differently to your investment direction.

Any units issued or redeemed as part of a rebalance will be processed using the next available unit price after the rebalance date.

Buy/sell spreads (if any) may apply to any units issued or redeemed as part of the rebalancing process. See the 'Fees' section of the PDS and this OMI document for more information.

Withdrawing your investment

KiwiSaver is a long term investment initiative, designed to help you save for the lifestyle you'd like to enjoy in the future. In most cases, you can't withdraw your savings until you've reached the age of 65. In some cases though, you may be able to cash in some or all, of your investment early and we have described these situations below in the "Early withdrawals" section.

Retirement withdrawals

Once you've reached the age of 65 you can choose to:

- continue investing in the Plan;
- stop contributions by giving your employer a non-deduction notice;
- make one-off or regular withdrawals from your investment;
- transfer your investment to another investment product; or
- withdraw all your investment and close your account.

You can request a withdrawal form by contacting us or downloading the form which is available at fisherfunds.co.nz/kiwisaver-plan/forms-and-documents. We will pay withdrawals to your nominated bank account.

Minimum withdrawal amounts

Currently, if you've reached the age of 65, you can make:

- lump sum withdrawals of \$100 or more; or
- regular withdrawals of \$100 or more.

If you want to remain a member of the Plan, you'll need to maintain a balance of \$100 after any withdrawal. If you make a withdrawal that results in your balance falling below \$100 we can pay you the full balance and close your account.

We may change the minimum account balance and introduce other terms and conditions for withdrawals.

Early withdrawals

In some special cases, subject to the KiwiSaver Act, you may be able to access some or all of your investment. These include:

- first home purchase
- permanent emigration to Australia
- permanent emigration to a country other than Australia

- significant financial hardship
- serious illness
- life-shortening congenital condition

To apply for an early withdrawal, you must provide:

- a completed application form, available from us; and
- evidence to support your application (details are on the forms).

First home withdrawal

One of the great benefits of KiwiSaver is that you have the flexibility to use it to purchase your first home in New Zealand. You may be eligible to make a first home withdrawal if:

- you've been a member of one or more KiwiSaver schemes or a complying superannuation fund for a combined total of three or more years; and
- you've never made a KiwiSaver home purchase withdrawal before; and
- you intend the purchase of relevant land or an interest in a building on Māori land, to be your principal place of residence; and
- you've never owned an estate in land, either alone or jointly with another person in New Zealand or overseas (limited exceptions apply).

You must leave a minimum balance of \$1,000 in your account and in addition, you can't withdraw any amounts transferred from an Australian complying superannuation scheme although any post-transfer investment earnings on those funds can be used.

You can make a first home withdrawal application only after the sale and purchase agreement has been signed and at least ten business days before settlement. If you were not resident in New Zealand at any time while you've been a member of a KiwiSaver scheme, you need to allow an additional five days.

You cannot make a first home withdrawal after your property purchase has settled. We will make payments to your solicitor or conveyancer only.

If you've owned a home before you may be eligible to make a KiwiSaver withdrawal to purchase a home as a 'Second Chance' homeowner if you:

- meet the first three criteria above; and
- can supply written confirmation from Kāinga Ora that your financial position is what is expected of a person who has never owned a home. For more information and an application form contact Kāinga Ora on 0508 935 266 or visit [kaingaora.govt.nz](https://www.kaingaora.govt.nz).

Permanent emigration

To Australia

KiwiSaver members who permanently emigrate to Australia, cannot make a cash withdrawal. However, if your balance is below the maximum transfer amount set by Australian legislation you can transfer your full KiwiSaver entitlement, including government contributions, to an Australian complying superannuation scheme, which accepts such transfers.

To other countries

If you've permanently emigrated from New Zealand to anywhere other than Australia, after one year you can withdraw your investment (excluding the government contribution amount and any Australian sourced amounts). We'll repay your government contribution amount to the Government. Any Australian sourced amounts will remain in the Plan.

To make a permanent emigration withdrawal you'll need to provide:

- a statutory declaration confirming that you've permanently emigrated from New Zealand; and
- documentary evidence proving when you left New Zealand and that you've lived at an overseas address at some time during the year after departure.

After emigrating, you can leave your balance in the Plan until you reach the age of 65 and then choose whether to withdraw it as outlined in the "Retirement withdrawals" section.

Significant financial hardship

If you're experiencing significant financial hardship (as defined in the KiwiSaver Act), or are likely to, you may be able to access your KiwiSaver savings. The following are key points about significant financial hardship:

- the Supervisor reviews and decides all applications for significant financial hardship;
- the Supervisor must be reasonably satisfied that you're suffering or likely to suffer from significant financial hardship and that you've explored and exhausted reasonable alternative sources of funding;
- the Supervisor must be satisfied that the withdrawal amount is required to alleviate the hardship;
- the amount of the withdrawal is at the discretion of the Supervisor and may not be for the full amount you've requested;
- withdrawal amounts will not include any kick-start contribution and government contribution amounts; and
- a statutory declaration will be required, which includes your assets and liabilities.

Serious illness

If you're suffering from a serious illness (as defined in the KiwiSaver Act), you may be able to make an early withdrawal. The Supervisor reviews and decides all applications for serious illness withdrawals and must be reasonably satisfied that you're suffering from a serious illness. Medical evidence will be required to support your withdrawal request.

The amount of the serious illness withdrawal may be up to the full value of your KiwiSaver account.

Life-shortening congenital condition

If you have a life-shortening congenital condition (as defined in the KiwiSaver Act), you may be able to make an early withdrawal. The Supervisor reviews and decides all applications for such withdrawals and must be reasonably satisfied that you have a life-shortening congenital condition. Medical evidence will be required to support your withdrawal request.

The amount of the withdrawal may be up to the full value of your KiwiSaver account. If you choose to make a life-shortening congenital condition withdrawal, you are treated as having reached the New Zealand superannuation qualification age and you will forgo your right to compulsory employer contributions and the government contribution.

Death

Fisher Funds will on request, ensure your KiwiSaver savings are paid to the executors or administrators of your estate if you die. If, at that time, your full balance is less than a prescribed amount (currently \$15,000) we may pay your balance directly to a personal representative, such as a surviving partner or child. The personal representative will need to provide documentary proof of their relationship with you and complete a signed declaration. For balances over \$15,000, probate or letters of administration will be required to complete the withdrawal.

Other circumstances of withdrawal

We will comply with any legislation or court order requiring us to release your KiwiSaver savings. This includes a property sharing order made under the Property (Relationships) Act 1976.

You can withdraw savings transferred into your KiwiSaver from an Australian complying superannuation scheme if you've reached age 60 and satisfy the retirement definition in Australian legislation. You'll need to sign a statutory declaration that you do not intend to work again to qualify for access to your Australian savings.

If you transferred savings from a non-Australian superannuation scheme, to your KiwiSaver before 9 April 2015 you may make a withdrawal to pay any associated tax liability or student loan repayments. Applications must be made within two years of the tax liability or student loan repayment obligations being assessed. In some circumstances, the withdrawal may trigger a foreign tax liability. We recommend that you seek independent tax advice if you're in this situation.

If at any time, you did not mainly reside in New Zealand you won't be entitled to government contributions for the period you were away. If you've received government contributions for these periods, it's important that a statutory declaration be supplied at the time of your withdrawal stating any periods for which you did not reside mainly in New Zealand to ensure we're aware your government contribution amount is wrong.

Payments

Ordinarily, valuation days will occur every business day. The withdrawal amount that is paid to you will in most cases be based on the value of your account on the valuation day after we determine that you are eligible to make a withdrawal. For some withdrawals we require information from third parties, such as Inland Revenue, and in those cases the withdrawal amount that is paid to you will be based on the value of your account on the valuation day after we have received the required information from the third party. Once we have calculated your withdrawal amount, we will redeem sufficient units to pay your withdrawal amount and arrange payment to you.

Payments can take up to 15 business days to be paid to your nominated bank account or to an authorised recipient.

If you are invested in multiple funds and you make a partial withdrawal, unless you request otherwise, this will be deducted from the funds in the same proportion as your current investment balance (e.g., if your balance is 70% in fund A and 30% in fund B, 70% of your withdrawal value will be taken from fund A and the remaining 30% from fund B).

Any tax payable or refundable will be adjusted for either from your payment in the case of a full withdrawal or from your remaining balance in the case of a partial withdrawal.

Ceasing to be a member of the Plan

Your membership of the Plan ends in the following instances:

- you withdraw all your KiwiSaver savings and we close your account;
- you transfer to another KiwiSaver scheme (or an Australian complying superannuation scheme or other approved overseas scheme when emigrating);
- you die;
- the Plan is wound-up;
- we give you notice that the balance of your account is zero and your membership is terminated;
- at our discretion, if your account balance is equal to or less than your tax liability; or
- you opt out of the Plan in accordance with the KiwiSaver Act 2006.

Transferring your investment to or from another scheme

You may transfer to or from another KiwiSaver scheme at any time but you can only belong to one KiwiSaver scheme at a time.

Suspension or deferral of withdrawals

We may suspend or defer the timing of withdrawals, transfers and switches if we determine that the redemption of units would be prejudicial to the interests of members or other circumstance exists.

We may only suspend or defer if we and Supervisor agree that suspending or deferring is the most prudent measure available to protect the interests of those in the relevant Fund or the Plan generally having considered all other options available under the Trust Deed and the FMCA. See clause 9.5 of the Trust Deed for details of circumstances where we can suspend or defer. We will notify you if we invoke a suspension.

Transfers from overseas superannuation schemes

You can transfer savings from an Australian complying superannuation scheme to the Plan if you've permanently immigrated to New Zealand.

Any exchange rate and currency conversion fees applied by the Australian complying superannuation scheme responsible for transferring the money to New Zealand will affect the value of any Australian transfer.

Transferring ownership to another person

Units you hold in any fund can't be sold, assigned or otherwise transferred to any other person unless required by law.

Can anyone else get your KiwiSaver savings?

If we have reason to believe you have committed (or you are likely to commit) an act of bankruptcy, you will forfeit entitlement to all your benefits under the Trust Deed. To the maximum extent permitted by law, we shall direct the Supervisor to hold and may direct the Supervisor to apply the benefits which would otherwise have been payable to you for the benefit of you or any of your dependents, as we think is appropriate.

If, having made reasonable efforts, neither we nor the Supervisor are able to locate you more than five years after your KiwiSaver end payment date and you or your employer haven't contributed to your member

account in the last five years, the value of your member account will be deemed to be an unpaid benefit and will be subject to section 149 of the Trusts Act 2019.

Tax

We provide the following information on tax related to the Plan as a general guide only and neither we nor the Supervisor accept any responsibility for your taxation liabilities. Please seek independent tax advice before investing.

PIE tax treatment and timing

The Plan is a multi-rate Portfolio Investment Entity (PIE) for tax purposes. This means that your share of any taxable income of the Plan will be taxed at your Prescribed Investor Rate (PIR).

Your PIE tax payable to Inland Revenue will be funded by cancelling a portion of your units. We'll issue additional units to reflect the amount of any tax rebate owed to you, this may not occur until the rebate is received from Inland Revenue. PIE tax payable is withheld as at 31 March or on any full or partial withdrawals, including switches between funds.

If your balance is equal to or less than the tax that is payable on income earned since the start of the tax year, we will cancel any remaining units and pay the tax liability to Inland Revenue. If your balance is less than the tax liability, then you, at our discretion, indemnify us (and where applicable, the Supervisor) in respect of any tax payable.

PIRs and individual members

Individuals who are New Zealand tax residents determine their PIR based on their taxable income and their total income, including PIE income in the previous two income years. To work out your PIR, go to Inland Revenue's website ird.govt.nz/pir or call us on 0508 347 437.

If you do not provide your PIR, the default PIR of 28% will be used.

Provided that you advise us of your correct PIR, tax paid by the Plan on income attributed to you will generally be a final tax:

- For NZ tax residents, Inland Revenue will calculate any PIE tax over/under paid based on the PIR applied and add that to your end of year income tax position as part of its automated year end assessment process. No further action is required where the PIR applied is correct for the year.
- For non-NZ tax residents, if your PIE income is taxed using:
 - the 28% PIR, no further action should be required
 - an advised PIR less than the 28% PIR, you may be required to file a NZ income tax return and be liable to Inland Revenue for further tax and penalties

We'll provide you with a tax statement before 30 June each year. This information will help you determine whether you need to change your PIR for the next tax year. Please notify us of any updates to your PIR by emailing us at enquiries@fisherfunds.co.nz.

Fisher Funds may be notified of a change to your PIR

If Inland Revenue believes your PIR is incorrect, they may notify us of the PIR that is to be applied for you. We are required to apply the PIR notified by Inland Revenue as soon as reasonably practicable. You can subsequently update your PIR if you believe the PIR Inland Revenue provided is incorrect.

New residents to New Zealand

In determining your PIR, you must treat gross income earned from foreign sources (in the income year you became a New Zealand resident and in the preceding two income years) as if it were taxable income. However, you may choose that this rule does not apply if you expect that your taxable income in the relevant year will be significantly lower than your total income in the income year prior to becoming a New Zealand resident.

Investment in NZ resident companies or certain Australian Listed Companies

Funds holding shares in New Zealand resident companies or certain companies resident in Australia that are listed on the Australian Securities Exchange are taxed only on dividends from these companies, with a credit allowed for any imputation credits attached to the dividend (but not for any Australian franking credits). Subject to some limitations, the funds are entitled to a tax credit for any withholding tax deducted from such dividends. Tax should not be payable by the funds on any gains from the sale of such shares.

Investment in other foreign shares subject to the Foreign Investment Fund (FIF) Regime

Other international shares held by the funds may have taxable income calculated under the Fair Dividend Rate (FDR) method or the comparative value (CV) method. The majority of shares held by the funds are taxed under the FDR method.

Under the FDR method, the taxable income is equal to 5% of the market value of the shares at the start of each valuation period adjusted for the proportion of the year the valuation period relates. The funds are entitled to a credit for any withholding tax paid on dividends received from these shares, subject to certain limits. Any dividends or profits from sales of the shares are ignored for tax purposes. No tax deduction may be claimed for any losses in respect of these shares taxed under this method.

Under the CV method, the Plan derives taxable income equal to the difference between the value of the relevant international shares at the end of a valuation period and the value of those shares at the start of the valuation period, with adjustments made for certain gains (including any relevant dividends and tax credits, and any proceeds from disposing of the relevant shares) and costs (including any relevant foreign income tax that is paid or payable and any costs in relation to purchasing the relevant shares).

Other investments

Tax payable on a fund's other income (e.g. fixed interest securities and interest on bank deposits) will be calculated according to the relevant tax rules. Tax may be imposed in overseas jurisdictions in relation to overseas investments (although this may give rise to a tax credit in New Zealand).

Investment in other PIEs

Where the Plan invests in funds that are themselves PIEs, the funds should attribute PIE income to the Plan to be taxed in the same way as if the underlying investments had been held by the Plan directly.

Tax on contributions

The Plan does not deduct tax from your contributions to the Plan.

Tax on withdrawals

Under current legislation, except any PIE tax payable as described above, when you withdraw funds the amount withdrawn will not usually be subject to any further New Zealand tax if you are a New Zealand tax resident.

Material Contracts

KiwiSaver Default Provider Appointment Notice

Under the KiwiSaver Default Provider (Kiwi Wealth) Notice 2021, we were appointed to provide a default KiwiSaver scheme by the Minister of Finance and the Minister of Commerce and Consumer Affairs. A copy of the Notice is available on the Disclose Register.

Relevant policies

Copies of the following policy documents are available at fisherfunds.co.nz/policies-and-privacy

- Conflicts of Interest
- Portfolio Trading
- Proxy Voting
- Responsible Investment
- Unit Pricing and Valuation
- Unlisted and Suspended Securities
- Liquidity Risk Management