



QUAYSTREET®
ASSET MANAGEMENT

QUAYSTREET
KIWISAVER SCHEME

OTHER MATERIAL INFORMATION
23 NOVEMBER 2022



QUAYSTREET ASSET MANAGEMENT LIMITED

This document replaces the other material information dated 28 October 2022



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1. GENERAL

This 'Other Material Information' document contains information that is considered by QuayStreet Asset Management Limited ('QuayStreet', 'we' or 'us') to be 'material' to the QuayStreet KiwiSaver Scheme (the 'Scheme') that is not contained in the Product Disclosure Statement ('PDS') for the Scheme. This document is provided to meet the requirements of section 57(1) (b) (ii) of the Financial Markets Conduct Act 2013 ('FMC Act').

On 12 September 2016 QuayStreet replaced Craigs Investment Partners Superannuation Management Limited as the Manager of the Scheme and the Scheme was renamed the QuayStreet KiwiSaver Scheme (known previously as the Craigs Investment Partners kiwiSTART Defined Scheme).

The Scheme is a KiwiSaver scheme.

2. KEY TERMS OF THE SCHEME

The QuayStreet KiwiSaver Scheme was established under a Trust Deed dated 16 August 2007 and was then known as the ABN AMRO Craigs START KiwiSaver Scheme 2. The Scheme was renamed the Craigs Investment Partners kiwiSTART Defined Scheme on 31 August 2009 and was renamed the QuayStreet KiwiSaver Scheme with effect from 12 September 2016. The Scheme is governed by an amended and restated Trust Deed dated 29 August 2016 but effective from 12 September 2016.

The Scheme only invests in the QuayStreet Funds. The QuayStreet Funds were established under a Master Trust Deed dated 19 September 2007 (as amended) ('Master Trust Deed'), together with separate Establishment Deeds for each QuayStreet Fund. The Master Trust Deed and Establishment Deeds were consolidated and amended on 1 June 2016.

We are the current manager of the QuayStreet KiwiSaver Scheme and the QuayStreet Funds. However, Smartshares Limited (**Smartshares**) will become the manager of the QuayStreet KiwiSaver Scheme and the QuayStreet Funds. See section 10 for more information.

ELIGIBILITY

Any natural person entitled to permanently reside in New Zealand and living in New Zealand (subject to certain exceptions) may apply to join the Scheme as a member by completing an application form attached to the latest PDS.

We may refuse any application without giving a reason.

The KiwiSaver Act 2006 (the 'KiwiSaver Act') sets out how persons who have joined the Scheme, but are not eligible to do so, will be treated.

PARTICIPATING EMPLOYERS

Membership of the Scheme is also available to employees of employers that have chosen the Scheme as their preferred KiwiSaver scheme.

If you are allocated to the Scheme because it is your employer's preferred KiwiSaver scheme and you have not provided an investment direction, your contributions will be invested in the default investment fund.

CONTRIBUTIONS

If you're employed, you can choose to make regular contributions of 3%, 4%, 6%, 8% or 10% from your before-tax salary or wages. Your contribution is deducted by your employer from your salary or wages and paid to the Scheme via Inland Revenue (or 'the IRD'). If you do not choose a rate, the default contribution rate is 3%. You may pay additional regular or lump sum amounts into the Scheme at any time. You can change the rate at which you contribute to the Scheme by talking to your payroll team at your place of work.

Subject to certain exceptions in the KiwiSaver Act, if you are:

- over age 18;
- not yet eligible to receive a retirement benefit;
- contributing at the required contribution rate from your salary or wages,



your employer will be required to make employer contributions to the Scheme of a minimum 3% of your gross salary or wages. Employer contributions are subject to employer superannuation contribution tax. All employer and employee remuneration-based contributions are paid through Inland Revenue.

If you are self-employed (and don't deduct PAYE), or aged over 65 years, or not working, you can make lump sum payments or regular contributions to the Scheme. You can decide the timing and amount of your contributions.

When you reach New Zealand Superannuation qualification age (currently age 65) and become entitled to withdraw your benefit you can continue to make regular contributions from your salary or wages. Your employer may stop contributing.

SAVINGS SUSPENSION

If you are an employee, you may apply to Inland Revenue to stop making contributions to the Scheme by taking a "savings suspension".

You can apply for a savings suspension if:

- 12 months or more have passed since Inland Revenue or any KiwiSaver scheme received your first contribution - in which case your savings suspension can be between three months to one year; or
- Inland Revenue has received at least one contribution from you, and you are suffering or likely to suffer financial hardship - in which case your savings suspension can be for a maximum of three months (unless Inland Revenue agrees otherwise).

See ird.govt.nz/kiwisaver or contact Inland Revenue for more information on how you can apply for a savings suspension.

You may stop or restart a savings suspension by giving notice to us and your employer. However, you may not do so at intervals of less than three months unless your employer agrees.

If you are granted a savings suspension, your employer may also suspend the contributions it makes to the Scheme for your benefit. Your employer's compulsory contributions will resume when you start contributing to the Scheme again via a payroll deduction.

If you are on a savings suspension, you will not receive Government contributions into the Scheme on your behalf unless you have voluntarily made contributions into the Scheme.

INVESTMENT DATES

Your contributions, whether regular or lump sum, will be invested into the Scheme on the next available investment day. Currently we operate two investment days each week, (or the next business day if the selected date falls on a public holiday (based on Auckland), although we may trade more frequently where client trade volumes are large enough to permit.

GOVERNMENT CONTRIBUTIONS

If you are eligible, for every \$1 you add to your KiwiSaver account, the Government adds 50 cents, up to a maximum Government contribution of \$521.43 – this is called the annual Government contribution. To receive the full Government contribution you must contribute at least \$1,042.86 to your KiwiSaver scheme each year (1 July to 30 June). The Government contribution does not apply in respect of members under age 18, or members who have reached New Zealand Superannuation qualification age (currently age 65) and are entitled to withdraw their benefit, or, subject to certain limited exceptions, in respect of members who do not have their principal place of residence in New Zealand.

No Government contributions will be payable in respect of funds transferred to the Scheme from an Australian complying superannuation scheme.

Any Government contribution will be paid on an annual basis into your account. The contribution will be invested in accordance with your investment direction.

You may be required to give us a statutory declaration stating the periods for which New Zealand was your principal place of residence before you can withdraw your Government contributions.

The Government contribution may cease or change in the future.



WITHDRAWALS

You are eligible to withdraw all your KiwiSaver funds when you reach the age of New Zealand superannuation eligibility (currently 65).

If you joined KiwiSaver before 1 July 2019 and were aged between 60 – 64 you would have been locked into your KiwiSaver for 5 years. You can now:

- choose to opt out of the 5-year lock in by notifying us and withdraw your funds any time after you turn 65. If you choose to opt out of the 5-year lock in, you will no longer be eligible to receive Government contributions and compulsory employer contributions, or.
- keep your funds in your KiwiSaver for the full 5-year term and withdraw them after that.

You may be able to make an early withdrawal of part (or all) of your savings under the KiwiSaver rules. There are rules around when each of these withdrawals can be made and how much of your account can be withdrawn. These are summarised below.

If you wish to withdraw funds from the Scheme please complete the appropriate withdrawal form available on our website quaystreet.com/documents-forms. A withdrawal request will generally be actioned once reviewed by us and the Supervisor and confirmed as a valid request.

Buying your first home

You may apply to us to make a one-off withdrawal from the Scheme to help pay for the purchase of your first home or to help pay the initial deposit. There are a number of eligibility requirements, including :

- You have been a KiwiSaver member or a member of a complying superannuation fund for a combined period of at least three years;
- the home you are purchasing is, or is intended to be, the home you and your family will mainly reside in; and
- you have not previously owned property (as defined under the KiwiSaver rules).

Any first home withdrawal must be paid into your solicitor's trust account and must be paid prior to settlement. In some circumstances you may still be able to make a withdrawal if you have owned a home before. You must retain a minimum balance of \$1,000 in your KiwiSaver account and any amount transferred from an Australian complying superannuation scheme.

You may also be entitled to a First Home Grant. See kaingaora.govt.nz for more information.

Serious illness

You may apply for a withdrawal on the grounds of serious illness if:

- You have an illness, injury or disability that results in you being totally and permanently unable to work in the job that you are suited by reason of experience, education or training; or
- you have an illness, injury or disability that poses a serious risk of you dying soon.

We will require medical evidence (including a declaration from your registered medical practitioner) before submitting a serious illness withdrawal request to the Supervisor for their review and determination.



Significant financial hardship

You may apply for a withdrawal on the grounds of significant financial hardship.

The sorts of circumstances where that may be available include:

- If you are unable to meet minimum living expenses; or
- if you are unable to meet mortgage repayments on your principal family residence resulting in the mortgagee seeking to enforce the mortgage on the residence; or
- meeting the costs of modifying your home to meet your, or your dependant family member's special needs arising from a disability; or
- meeting the cost of your, or your dependant family member's, medical treatment for an illness or injury; or
- meeting the cost of your, or your dependant family member's, palliative care; or
- meeting the cost of a funeral for a dependant family member.

We will require evidence of your financial position together with a statutory declaration of your assets and liabilities and income and expenditure before submitting a significant financial hardship withdrawal request to the Supervisor for their review and determination. The Supervisor may limit a withdrawal to an amount that, in the Supervisor's opinion, is required to alleviate your hardship.

Life-shortening Congenital Conditions

You may apply for a withdrawal on the grounds of a life-shortening congenital condition if you are suffering from a condition that has existed from the date of your birth and:

- You have a known congenital condition which is likely to shorten your life below the age of 65 (these congenital conditions are identified through regulations); or
- There is medical evidence to verify that your congenital condition is expected to reduce life expectancy below NZ retirement age

We will require a medical certificate from a registered medical practitioner that verifies the condition before submitting a life-shortening congenital condition withdrawal request to the Supervisor for their review and determination. We will also require a statutory declaration acknowledging that your funds are to be released as if you had reached New Zealand Superannuation qualification age and that after withdrawal, you are no longer eligible to receive the Government contribution or compulsory employer contributions.

Permanent emigration from New Zealand

TO AUSTRALIA

You can transfer your Scheme balance to an Australian complying superannuation scheme following your permanent emigration to Australia.

We will require evidence that you have permanently emigrated, including a statutory declaration. You can transfer everything including your contributions, your employer's contributions, the \$1,000 kick-start (if you were eligible), Government contributions and any transferred superannuation funds (if applicable).

TO ANYWHERE ELSE

After one year you may apply for a withdrawal on grounds of permanent emigration.

We will require evidence that you have permanently emigrated, including a statutory declaration. You can transfer your contributions, your employer's contributions and the \$1,000 kick-start (if you were eligible). Government contributions are refunded to the IRD.

Permanent emigration from Australia

If you permanently emigrate to New Zealand from Australia, you may transfer your Australian complying superannuation scheme savings to the Scheme.

You may make a withdrawal of an amount equal to the **amount transferred (excluding any gains or losses on that amount)** from your Australian superannuation scheme when you attain the age of 60 and satisfy the 'retirement' definition in the Australian legislation.



Payment on death

If you die while you are a member of the Scheme, your interest in the Scheme will be paid to your estate or, if your balance does not exceed the prescribed amount (currently \$15,000) and other conditions are met, we may pay your balance to an eligible claimant under the Administration Act 1969.

We will require a certified copy of the death certificate, or probate, or where there is no Will, a Letter of Administration.

Withdrawal to meet tax liability on foreign superannuation withdrawal

If you have transferred savings from a foreign superannuation scheme to a KiwiSaver scheme, you may be able to make a withdrawal to pay tax or make a student loan repayment owing as a result of the transfer.

We will require evidence of the tax liability, including a statutory declaration.

To the extent possible, the withdrawal will be paid to the IRD and not to you.

RELATIONSHIP PROPERTY

We will give effect to any court order relating to a member's relationship property settlement with his or her spouse, civil union partner or de facto partner in accordance with the KiwiSaver Act. You and/or your partner will not be paid an amount which would be greater in value than the benefits which you would have been otherwise entitled to receive.

We will require certified copies of any court orders.

RESTRICTIONS ON WITHDRAWALS

The Scheme cannot suspend member withdrawals, so you can request a withdrawal at any time. However, we may not be able to process your withdrawal if QuayStreet Fund redemptions have been suspended.

The Manager of the QuayStreet Funds can suspend redemptions in certain circumstances, including if it believes processing a redemption would be materially prejudicial to the interests of unitholders.

We will process any withdrawal received during a suspension when the suspension is lifted.

FIRST HOME GRANT

KiwiSaver members may also be eligible to apply to Kāinga Ora for a First Home Grant of up to \$5,000 to buy an existing home, or up to \$10,000 if building or purchasing a newly built home. Income caps, house price caps and other criteria apply. For more information visit the Kāinga Ora website www.kaingaora.govt.nz.

TRANSFERS

You may transfer to another KiwiSaver scheme at any time by contracting directly with the provider of that scheme. We will transfer your benefit to that KiwiSaver scheme in accordance with the KiwiSaver Act. Following such a transfer, you will cease to be a member of the Scheme.

We can accept a transfer from any other KiwiSaver scheme or superannuation scheme that you may be a member of.

BENEFITS NOT ASSIGNABLE

Your benefits and rights under the Scheme belong only to you. Subject to the KiwiSaver Act, you may not transfer, assign, charge or mortgage your benefits.

UNCLAIMED BENEFITS

If we are unable to trace you for a period of five years from the later of your last contribution or the date you are entitled to withdraw your retirement benefit, the Supervisor and Manager can apply section 149 of the Trusts Act and transfer your benefit to the Crown.

SIDE-POCKETING

The manager of the QuayStreet Funds may 'side-pocket' certain assets and liabilities of a QuayStreet Fund, with the approval of the Supervisor of the QuayStreet Funds, where it considers that it is in the best interests of unitholders in the QuayStreet Fund to do so.



Side pocketing is the process where specific assets are held separately from other assets within a fund. Assets are side pocketed where, for example, there is a risk they will experience an unusual valuation event or there are liquidity issues. Side-pocketing isolates the impact of the valuation event or liquidity issue to unitholders when the side-pocketing account is created. Future unitholders will not be impacted by this valuation event or liquidity issue.

If assets and liabilities of a QuayStreet Fund are side-pocketed, this may affect our ability to process withdrawals you make from the Scheme.

SINGLE SCHEME SEPARATE FUNDS

The Scheme operates as a single trust fund. This means that all of the assets of the Scheme are available to meet the liabilities of the Scheme,

Each QuayStreet Fund in which the Scheme invests is a separate investment fund and the assets of one QuayStreet Fund will not be available to meet the liabilities of another QuayStreet Fund.

MANAGER CHOOSES INVESTMENTS

The Scheme only invests in the QuayStreet Funds. Members elect which QuayStreet Funds to invest in through their Investment Direction.

The Manager of the QuayStreet Funds chooses the investments of each QuayStreet Fund. The Master Trust Deed, the Establishment Deeds and the Statement of Investment Policy and Objectives of the QuayStreet Funds define the investment objectives, targets, benchmarks and authorised investments. Details are available on the Disclose Register, disclose-register.companiesoffice.govt.nz and the QuayStreet website, quaystreet.com.

CHANGE OF MANAGER

We may retire as Manager upon giving three months' prior notice to the Supervisor, subject to the appointment of a new Manager. We may be removed as Manager only in the following circumstances:

- by a written direction of the Supervisor after the Supervisor certifies that it is in the best interests of members that we are removed;
- if we are substituted by the High Court under the FMC Act; or
- by a special resolution of members.

The power of appointing a temporary new Manager is vested in the Supervisor. The retiring Manager has the power to appoint a permanent manager with the approval of the Supervisor.

QuayStreet Asset Management Limited is the current manager of the Scheme. Smartshares will become the manager of the Scheme. See section 10 for more information. In this document, references to the **Manager** mean us, or Smartshares once it has become the manager of the Scheme.

SUPERVISOR

The functions of the Supervisor are:

- acting on behalf of members in relation to us, any matter connected to the Trust Deed or the terms of the offer, any contravention or alleged contravention of our obligations as issuer and Manager of the Scheme and any contravention or alleged contravention of the FMC Act by any other person in connection with the Scheme;
- supervising the performance by us of our functions as issuer and Manager of the Scheme and the financial position of us and the Scheme to ascertain that it is adequate;
- holding the property of the Scheme or ensuring that it is held in accordance with the FMC Act; and
- performing or exercising any other functions, powers and duties conferred or imposed on the Supervisor by or under the FMC Act, the Financial Markets Supervisors Act 2011 and the Trust Deed.

CHANGE OF SUPERVISOR

The Supervisor may retire upon giving 30 days' notice to us, subject to the appointment of a new Supervisor. In addition, the Supervisor may be removed from office in the circumstances set out in the FMC Act or by the High Court on application by us.

The power of appointing a new Supervisor is vested in us.



AUDITOR

The Auditor is selected by us after consultation with the Supervisor. The Auditor may at any time be removed by us on the approval of the Supervisor. A replacement Auditor will be appointed by us after consultation with the Supervisor.

EXPENSES

We and the Supervisor are entitled to be reimbursed out of the assets of the Scheme for all expenses, costs or liabilities (including tax) incurred in acting as Supervisor or Manager under the Trust Deed.

AMENDMENTS TO THE TRUST DEED

We and the Supervisor may at any time make any amendment to the Trust Deed if:

- the Supervisor is satisfied that the change does not have a material adverse effect on the members and the Supervisor certifies to that effect; or
- the change is approved by, or contingent on approval by, a special resolution of the members that are or may be adversely affected by the change.

However, no amendment may detract from the main purposes of the Trust Deed, being to provide retirement benefits.

WINDING UP

The Scheme will terminate on the earlier to occur of:

- us resolving to terminate the Scheme;
- the Scheme's registration being cancelled; or
- the Scheme being required to be wound up under the FMC Act.

Upon termination, no new members will be admitted and no further contributions will be received, and we will realise all investments and distribute them in accordance with the Trust Deed, the KiwiSaver Act and the FMC Act.

MEMBERS' LIABILITY

Members do not incur any liabilities (including contingent liabilities) from being a member in the Scheme, other than the liabilities detailed in the Master Trust Deed which include the liability to pay personal tax obligations as described below.

Every member indemnifies the Supervisor and us in respect of any tax payable by the Supervisor or us in respect of that member's interest in the Scheme. Members also have adjustments made to their interests in the Scheme to reflect tax paid or payable on their behalf.

MANAGER AND SUPERVISOR INDEMNITY

Subject to the indemnity limitations in the FMC Act, if we or the Supervisor are held personally liable to any other person in respect of any debt, liability or obligation (including tax) incurred by or on behalf of the Scheme or any action taken or omitted for or in connection with the Scheme, then we or the Supervisor (as applicable) are entitled to indemnity and reimbursement out of the Scheme to the full extent of that liability. The indemnity includes the costs of any litigation or proceedings, including legal fees and disbursements. Under the FMC Act, our rights and the Supervisor's rights to be indemnified are only available in relation to the proper performance of our statutory duties under the FMC Act.

SCHEME VALUATION

The valuation methodology for valuing the Scheme's assets is that the assets are measured at net market value in accordance with the latest accounting standard for the valuation of investments, provided that any managed funds in which the Scheme invests will be valued at the latest available redemption price quoted or published by the issuer or registrar of the relevant managed fund.



3. WHO IS INVOLVED?

THE MANAGER

The current manager of the QuayStreet KiwiSaver Scheme is QuayStreet Asset Management Limited ('QuayStreet'). QuayStreet replaced Craigs Investment Partners Superannuation Management Limited as manager of the Scheme on 12 September 2016. QuayStreet is a wholly owned subsidiary of Craigs Investment Partners Limited. The ultimate holding company of QuayStreet Asset Management Limited and Craigs Investment Partners Limited ('CIP') is CIP Holdings Limited. However, Smartshares will become the manager of the Scheme. See section 10 for more information.

Our registered office is at:

158 Cameron Road
Tauranga 3110

The Manager has the following functions as manager of the Scheme:

- offering interests in the Scheme;
- issuing interests in the Scheme;
- managing Scheme property and investments; and
- administering the Scheme.

We may delegate any of our functions but will remain responsible for the acts and omissions of our delegate whether or not the delegate is acting within the terms of its delegated authority. All registry and administrative functions have been delegated to CIP, including certain investment management and administrative functions.

CIP's contact address is as follows:

Craigs Investment Partners Limited, PO Box 13155, Tauranga 3141.

CIP holds a licence issued by the Financial Markets Authority to provide financial advice. Where financial advice is provided to members (or prospective members) it is provided by CIP (a related party of QuayStreet) through financial advisers engaged by CIP or by an independent financial advice provider.

RELATED PARTIES

QuayStreet is a wholly owned subsidiary of CIP.

CIP provides administration services to the Scheme. CIP is paid a fee for these services.

The Scheme invests in the QuayStreet Funds. Details of related party activities of the QuayStreet Funds are noted below:

CIP provides broking services from time to time to QuayStreet and receives fees for executing trades and processing foreign exchange transactions on behalf of the Funds. These fees are charged on normal commercial ('arm's-length') terms with the maximum brokerage set at 0.5% of the value of the relevant transaction. There is no limit to the total amount of brokerage that might be paid by QuayStreet to CIP because that will depend on the investment activities undertaken by the QuayStreet Funds.

Wilsons Holding Company Pty Ltd and its subsidiaries (Wilsons) are related parties to QuayStreet through the common ownership by CIP. Wilsons provide broking services to QuayStreet and receives fees for executing trades on behalf of the QuayStreet Funds. These fees are charged on arm's-length terms with the maximum brokerage set at 0.5% of the value of the relevant transaction. There is no limit to the total amount of brokerage that might be paid by QuayStreet to Wilsons because that will depend on the investment activities undertaken by the QuayStreet Funds.

In order to ensure that the brokerage rates and fees charged by CIP and Wilsons to the QuayStreet Funds for the services referred to above are competitive, QuayStreet uses a panel of brokers and has arrangements with other providers for transaction execution and keeps under review the rates or fees offered by CIP and Wilsons and the other firms on the panel or the other providers QuayStreet has arrangements with. QuayStreet is not obliged to trade through CIP or Wilsons.

CIP and Wilsons provide investment banking services to corporate, institutional and governmental clients.



CIP has a strategic alliance with J.P. Morgan Securities Australia Limited (J.P.Morgan) which is designed to offer a broader range of products and services to our respective clients.

CIP's relationship with J.P.Morgan or Wilsons could influence QuayStreet to favour offers of financial products in respect of which those entities are involved (for example, as lead manager), however, QuayStreet is not obliged or restricted to securities (primary or secondary) that originate from a CIP, Wilsons or J.P. Morgan transaction. There are information barriers in place to prevent the sharing of information between CIP and QuayStreet as appropriate. The approval of the QuayStreet Board (which has an independent Chairman) is required whenever QuayStreet participates in a CIP, Wilsons or J.P. Morgan transaction so as to ensure that the decision to invest in the transaction is made solely taking into account the interests of investors in the relevant QuayStreet Fund.

Investore Property Limited (as the issuer of securities which the QuayStreet Funds may invest in) is considered to be a related party of the QuayStreet KiwiSaver Scheme as a result of Michael Allen being a director of Investore Property Limited and QuayStreet. Michael is not involved in the investment decisions for the QuayStreet Funds in relation to Investor Property Limited.

Mercury NZ Limited, Vista Group International Limited, Xero Limited, Arvida Group Limited and Property for Industry Limited (as the issuers of securities which the Funds may invest in) are considered to be related parties of the Funds as a result of Susan Peterson being a director of those companies and a director of CIP (the holding company of the Manager). Susan is not involved in the investment decisions for the Funds in relation to these companies.

We have related party procedures in place to ensure transactions are in accordance with the FMC Act which includes notification to the Supervisor.

OUR DIRECTORS

As at the date of this document, the directors of QuayStreet are:

- Michael Allen of Auckland;
- Michael Caird of Lower Hutt;
- Andrew South of Auckland; and
- Simon Tong of Auckland.

The Directors are entitled to invest into the Scheme and the QuayStreet Funds. Michael Caird, Andrew South and Simon Tong are entitled to invest in CIP Holdings Limited, the ultimate holding company of CIP.

Biographies for the directors are as follows:

MICHAEL ALLEN

Michael was appointed Chair in April 2019.

Michael has over 25 years' experience in Board representation, investment banking, direct investment and general management.

Michael is currently Chairman of Investore Property Limited and QuayStreet, and a Director of Taumata Plantations Ltd, and Breakwater Consulting Limited.

Michael was formerly Head of Westpac Institutional Bank and led Mergers and Acquisitions at Southpac Corporation.

Qualifications: BCom, LLB, and a Chartered Fellow of the Institute of Directors.

MICHAEL CAIRD

Mike has been a director of QuayStreet since 2014.

Prior to that Mike was a director of CIP from 2001 to 2020, he was with ABN AMRO for 12 years, Brierley Investments Limited for 10 years and Ernst & Young for four years. Mike has been involved in New Zealand capital markets for over 20 years and has led teams responsible for some of the largest and most innovative bank and capital markets financings in the New Zealand market.

In addition to QuayStreet, Mike is also a director of the New Zealand Social Infrastructure Fund Limited and a number of private companies in the glass services, pedestrian safety software, indoor plant hire and social media monitoring industries.



Qualifications: BCom, LLB, and a Member of the Institute of Directors and INFINZ.

ANDREW SOUTH BAGSc; PGDipCom

Andrew was appointed a director of QuayStreet in August 2021.

Andrew is the Chief Investment Officer for QuayStreet and has vast investment experience with a career spanning more than two decades. Andrew joined QuayStreet in July 2014. Prior to QuayStreet, Andrew was the Chief Investment Officer at Brook Asset Management with overall responsibility for portfolio construction, stock selection and asset allocation for all of Brook's funds.

At Brook Asset Management, Andrew was also responsible for Australasian sector research for the resources, financial and healthcare sectors.

Qualifications: BAGSc; PGDipCom; INFINZ Member; CFA Charterholder.

SIMON TONG

Simon was appointed a director of QuayStreet in November 2021.

Simon is the Chief Executive Officer for CIP. Prior to joining CIP, Simon was a member of the ASB Bank Limited Executive Team with accountability for Digital, Data and Brand. Simon has previously been Chief Executive Officer of Fairfax New Zealand Limited and Paymark Limited.

In addition to his experience as a Chief Executive, Simon has a background in technology and strategy and is highly regarded as an industry leader who has a track record for driving change, performance, and customer centricity within the companies he has worked for.

Qualifications: MMgt, and a Member of the Institute of Directors.

THE DIRECTORS CAN BE CONTACTED

The Directors
QuayStreet Asset Management Limited
PO Box 13155
Tauranga 3141

or at its registered office noted on page 11.

The directors of QuayStreet may change from time to time. A current list of directors is available online: companies-register.companiesoffice.govt.nz

QUAYSTREET FUNDS INVESTMENT TEAM

The Scheme only invests in the QuayStreet Funds. The QuayStreet investment team is responsible for the asset allocations, security selections and for monitoring the performance of the QuayStreet Funds. Biographies of the investment team are below:

ANDREW SOUTH – CHIEF INVESTMENT OFFICER

Andrew has vast investment experience with a career spanning more than two decades. Andrew joined QuayStreet in July 2014. Prior to QuayStreet, Andrew was the Chief Investment Officer at Brook Asset Management with overall responsibility for portfolio construction, stock selection and asset allocation for all of Brook's funds.

At Brook Asset Management, Andrew was also responsible for Australasian sector research for the resources, financial and healthcare sectors.

Further funds management industry experience includes:

- Director, Brook Asset Management – from January 2012 to May 2014
- Director/ Shareholder, Brook Asset Management – from April 2004 to February 2008
- Director/ Chief Investment Officer, BT Funds Management – responsible for management of all BT's equity portfolios and the performance of all asset classes, asset allocation and the management of BT's investment staff - from 1998 to 2004

- 
- Portfolio Manager/ Senior Analyst, Tower Portfolio Management - from 1995 to 1998
 - Portfolio Manager/ Analyst, AMP Asset Management – from 1993 to 1995.

Qualifications: BAgSc; PGDipCom; INFINZ Member; CFA Charterholder.

ROY CROSS – HEAD OF FIXED INTEREST

Roy has considerable investment experience with more than a decade in the New Zealand market. Roy joined QuayStreet in July 2014. Prior to QuayStreet, Roy was a Senior Analyst at Brook Asset Management where he commenced his career in 2005.

Roy's current responsibilities include:

- Portfolio manager of the Fixed Interest and Income Funds
- Equity research responsibility focusing on media and technology, consumer discretionary and aged care sectors.

Qualifications: BMS (Hons); MBS; CFA Charterholder.

STEFAN STEVANOVIC – HEAD OF INTERNATIONAL EQUITY

Stefan has considerable investment experience with more than a decade in the New Zealand market. Stefan joined QuayStreet in July 2014. Prior to QuayStreet, Stefan was a Senior Analyst at Brook Asset Management where he commenced his career in 2007.

Stefan's current responsibilities include:

- Portfolio manager of the International Equity Fund and the Socially Responsible Investment Fund
- Equity research responsibility focusing on utilities, energy infrastructure and ESG research
- Quantitative screening of assets, as part of the formal investment process.

Qualifications: BCA; BSc; CFA Charterholder.

XAVIER WATERSTONE – HEAD OF RESEARCH

Xavier joined QuayStreet in September 2018. Previously, Xavier was a Senior Analyst at Diogenes Research, and an Industrials Analyst at JCP Investment Partners, where he commenced his career in 2007.

Xavier's primary responsibility is research and analysis of Australasian equities plus overall responsibility for the stock selection process across all of the QuayStreet equity funds.

Qualifications: BCom (Finance & Accounting), MBA (Hons), Oxon.

SCHALK KEYTER – EQUITY ANALYST

Schalk joined QuayStreet in October 2016. Previously, Schalk was a Private Wealth Associate at CIP, where his main role was portfolio analysis.

Schalk's current responsibilities include:

- Portfolio analysis including performance attribution and risk monitoring
- Quantitative screening of assets as part of the formal investment process
- Equity research responsibility focusing on property and smaller companies.

Qualifications: BCom (Economics & Finance), CFA Charterholder.

CRAIG SMITH – FIXED INCOME ANALYST

Craig joined QuayStreet in 2021. Craig is an established investment professional with experience across the buy side and wealth management environments including securities research and portfolio management of local and offshore assets.

Previously, Craig was a Senior Analyst at Melville Douglas Investment Management, a boutique asset management firm owned by the Standard Bank Group where he commenced his career in 2005.



Craig's primary responsibility is research and analysis of Fixed Income securities.

Qualifications: Bcom Hons (Strategic Management); CFA Charterholder

Details of the investment team members, as at the date of this document, are available on our website: quaystreet.com/our-team

The composition of the investment team may change at any time without notice to members.

THE SUPERVISOR

The New Zealand Guardian Trust Company Limited is the Supervisor and custodian of QuayStreet KiwiSaver Scheme. They supervise how we run the Scheme, for the benefit of you and other members.

The Supervisor was granted a licence by the Financial Markets Authority under section 16(1) of the Financial Markets Supervisors Act 2011 to act as a supervisor of registered schemes. More information about the Supervisor's licence, including its conditions, can be obtained at the Financial Markets Authority's website at fma.govt.nz.

If the Supervisor does not hold an appropriate licence, then we would be obliged to seek and appoint another supervisor.

As at the date of this document, the directors of the Supervisor are:

- Robin Flannagan of Auckland;
- Bryan Connor of Auckland.

Each of the directors named can be contacted at:

c/- The New Zealand Guardian Trust Company Limited
Level 6
191 Queen Street
PO Box 274, Shortland Street
AUCKLAND 1140.

The directors of the Supervisor may change from time to time. A current list of the Supervisor's directors is available online: companies-register.companiesoffice.govt.nz/

4. MATERIAL CONTRACTS

CIP MANAGEMENT AGREEMENT

An agreement entered into on 6 September 2016 (amended and restated on 11 March 2021) between QuayStreet and Craigs Investment Partners Limited relating to the delegation of various registry and administrative functions from QuayStreet to Craigs Investment Partners Limited. Craigs Investment Partners Limited provides resources (including people, operational and financial resource) as required to perform the functions of QuayStreet to the standards required by agreement or law.

INLAND REVENUE SCHEME PROVIDER AGREEMENT

Craigs Investment Partners Superannuation Management Limited and Inland Revenue entered into a KiwiSaver Scheme Provider Agreement for the Scheme on 26 July 2007, as amended from time to time. By a deed of novation and variation to KiwiSaver Scheme Provider Agreement dated 31 August 2016 between Craigs Investment Partners Superannuation Management Limited, QuayStreet and Inland Revenue, Craigs Investment Partners Superannuation Management Limited's obligations under the KiwiSaver Scheme Provider Agreement were novated to QuayStreet with effect from 12 September 2016. The KiwiSaver Scheme Provider Agreement was updated with effect from 23 April 2021.



RETIREMENT AND APPOINTMENT OF MANAGER

A deed was executed on 29 August 2016 between The New Zealand Guardian Trust Company Limited, QuayStreet Asset Management Limited and Craigs Investment Partners Superannuation Management Limited in which Craigs Investment Partners Superannuation Management Limited retired as manager of the QuayStreet KiwiSaver Scheme and QuayStreet Asset Management Limited was appointed as manager with effect from 12 September 2016.

5. SUMMARY OF POLICIES & PROCEDURES

QuayStreet Asset Management Limited operates under both Craigs Investment Partners and QuayStreet specific policies, codes and procedures. A summary of those policies is as follows:

SUMMARY OF POLICIES, CODES AND PROCEDURES

STATEMENT OF INVESTMENT POLICY AND OBJECTIVES (SIPO)

The SIPO covers matters such as:

- Responsible investing
- Liquidity and cash flow management
- Pricing and valuation
- Trade allocation and execution
- Trade reconciliation and risk management

The purpose of the SIPO is to document for members and the Supervisor the investment policies of the Scheme. It states each Fund's investment policy and objectives, its performance benchmarks and target asset allocations.

DERIVATIVES POLICY

This policy governs the use of derivative instruments in the QuayStreet Funds. Derivatives can include forward contracts, futures, swaps and options.

ANTI-MONEY LAUNDERING POLICY

QuayStreet is part of the CIP Designated Business Group for 'Anti-Money Laundering Policy' purposes. CIP policy is to comply with the Anti-Money Laundering and Countering of Financing of Terrorism Act 2009. CIP actively takes measures to guard against being used as a medium for money laundering activities. CIP will take reasonable measures to establish the identity of its clients and beneficial owners and will only accept clients once this process has been completed.

CODE OF CONDUCT

The Code of Conduct is a statement of our commitment to integrity and high ethical standards in all that is done at QuayStreet and CIP. The Code sets the minimum standards of conduct that we expect from our directors, officers, and employees during all interactions with clients, competitors, business partners, government authorities, shareholders, and each other.

CONFLICTS OF INTEREST POLICY

The CIP Conflicts of Interest policy is designed to promote the integrity and independence of QuayStreet/CIP and to manage potential conflicts of interest between QuayStreet and its clients and between one client and another. The guiding principle is to at all times place client interests above our own interests.

INSIDER TRADING POLICY

Insider trading is trading in securities of a public issuer on the basis of inside information. Possession of insider information makes a person an information insider. The purpose of this policy is to provide guidance to CIP employees/QuayStreet directors and officers on the most appropriate course of action should they become aware of information in the normal course of their role that is deemed to be inside information.



RESPONSIBLE INVESTMENT POLICY

Each QuayStreet Fund, except for the QuayStreet Socially Responsible Investment Fund, is managed in accordance with our Responsible Investment Policy. This policy details how we incorporate environmental, social and governance (ESG) factors within our investment decision-making framework. The QuayStreet Socially Responsible Investment Fund has its own specific investment policy. The Responsible Investment Policy is available on the offer register, disclose-register.companiesoffice.govt.nz and the QuayStreet website, quaystreet.com/documents-forms.

SOCIALLY RESPONSIBLE INVESTMENT POLICY

All investments included within the QuayStreet Socially Responsible Investment Fund are selected in accordance with the QuayStreet Socially Responsible Investment Policy (SRI Policy) and each such investment is tested and monitored to ensure ongoing compliance with the standards and criteria in the SRI Policy. The SRI Policy contains information relating to the benefits of investing in the QuayStreet Socially Responsible Investment Fund and is available on the offer register, disclose-register.companiesoffice.govt.nz and the QuayStreet website, quaystreet.com/socially-responsible-investment-process.

6. BENCHMARKS AND MARKET INDICES FOR THE QUAYSTREET FUNDS

The QuayStreet Funds' returns are measured against various benchmarks (market indices) as set out in the SIPO. More information about these benchmarks (market indices) can be found on the web pages listed beneath the following table.

BENCHMARKS AND MARKET INDICES	NZ OCR + 2%.	NZ OCR + 6%	S&P/NZX 50 GROSS INDEX	S&P/ASX 200 TOTAL RETURN INDEX	MSCI WORLD (NZD) NET TOTAL RETURN INDEX	S&P/NZX INVESTMENT GRADE CORPORATE BOND TOTAL RETURN INDEX	S&P/NZX BANK BILLS 90-DAY TOTAL RETURN INDEX
QuayStreet Fixed Interest Fund						100%	
QuayStreet Income Fund	100%⊗						
QuayStreet Conservative Fund			5%	5%	10%	60%	20%
QuayStreet Balanced Fund			10%	10%	40%	30%	10%
QuayStreet Socially Responsible Investment Fund			10%	10%	40%	30%	10%
QuayStreet Growth Fund			12.5%	12.5%	55%	15%	5%
QuayStreet New Zealand Equity Fund			100%				
QuayStreet Australian Equity Fund				100%			
QuayStreet International Equity Fund					100%		
QuayStreet Altum Fund		100%⊗⊗					

⊗ Our Quarterly Fund Updates and Annual Reports will report the Fund's returns against a composite market index consisting of the S&P/NZX 50 Gross Index (5%), S&P/ASX 200 Total Return Index (5%), S&P/ASX 200 A-REIT Total Return Index (5%), S&P/NZX All Real Estate Index (5%), S&P/NZX Investment Grade Corporate Bond Total Return Index (70%) and S&P/NZX Bank Bills 90-Day Total Return Index (10%). This is due to the Official Cash Rate ('OCR') not being recognised as a market index, as required by the Financial Markets Conduct Act 2013.

⊗⊗ Our Quarterly Fund Updates and Annual Reports will report the Fund's returns against a composite market index consisting of the S&P/NZX 50 Gross Index (50%) and S&P/ASX 200 Total Return Index (50%). This is due to the OCR not being recognised as a market index, as required by the Financial Markets Conduct Act 2013. The hurdle rate of return used for the determination of the performance fee payable is not based on this composite market index, instead the performance fee hurdle rate of return is the OCR plus 6%. This may result in a performance fee being charged even if the Fund's returns do not exceed the composite market index set out above.

Benchmark performance is measured in NZD except for the S&P/ASX 200 Total Return Index which is measured in AUD.



MARKET INDICES WEB PAGES

- S&P/NZX Indices: spglobal.com/spdji/en/regional-exposure/asia-pacific/new-zealand
- S&P/ASX Indices: spglobal.com/spdji/en/regional-exposure/asia-pacific/australia
- MSCI Indices: msci.com/indexes
- RBNZ - OCR: : rbnz.govt.nz/monetary-policy/official-cash-rate-decisions
- S&P/NZX Investment Grade Corporate Bond Index Total Return: spglobal.com/spdji/en/indices/fixed-income/sp-nzx-investment-grade-corporate-bond-index
- NZ 90 Day Bank Bill: spglobal.com/spdji/en/indices/fixed-income/sp-nzx-bank-bills-90-day-index



7. ADDITIONAL INFORMATION ON FEES

The Scheme does not charge members a management fee, as an equivalent management fee is charged within the QuayStreet Funds in which the Scheme invests. This ensures there is no double charging of management fees for members of the Scheme. The management fee charged impacts the value of the Scheme and the Funds a member invests in.

EXPLANATION OF THE ESTIMATES

TOTAL ANNUAL FUND CHARGES

Included in the PDS are 'total annual fund charges', which include estimates of expenses for each QuayStreet Fund and performance fees for the underlying QuayStreet Altum Fund. We have assumed expenses will not materially change from year to year. In preparing the expense estimates we based them on the total costs incurred by each QuayStreet Fund in the previous financial year. Included are audit and legal fees. We therefore expect the actual expenses for each QuayStreet Fund will be similar to the financial year ended 31 March 2022.

A performance fee was not charged for the QuayStreet Altum Fund in the year ended 31 March 2022. However, the total annual fund charge of 1.52% for this fund includes an estimated performance fee of 0.23%, which has been calculated as an average of the annual performance fee charged over the last five years to 31 March 2022 ('Estimated Altum Fund Performance Fee').

The QuayStreet Balanced Fund and the QuayStreet Growth Fund themselves do not charge a performance fee. However, each of those funds invests into the QuayStreet Altum Fund, which may charge a performance fee. The total annual fund charges for the QuayStreet Balanced Fund and the QuayStreet Growth Fund include estimated performance fees of 0.01% and 0.02% respectively. The performance fee component for these funds have been calculated as a percentage of the funds' weighted investments in the QuayStreet Altum Fund in the year ended 31 March 2022 with reference to the Estimated Altum Fund Performance Fee.

SCHEME EXPENSES

The Scheme expenses referred to in the PDS are estimated at approximately \$5.00 per annum per member. The Scheme expenses are deducted from your member account. This estimate has been based on the total amount of costs and expenses, including audit and legal fees, recovered during the Scheme's previous financial year on a per member basis.

ADDITIONAL INFORMATION

MANAGER FEES

The Trust Deed provides that we are, subject to the fees not being unreasonable, entitled to be paid and retain the following annual or other fees in respect of the Scheme:

- administration fees;
- management fees;
- entry fees;
- exit fees;
- switching fees;
- membership fees;
- transfer fees; and
- such other fees as the Manager determines from time to time.

The amount of any such fees, and the method of their payment, will be determined by us from time to time and notified to the Supervisor in writing, provided that the total amount of any such fees does not exceed 3% per annum of the net asset value of the assets of the Scheme plus GST.

SPECIAL FEES

In addition, we are entitled to charge and retain special fees on a time cost (to be calculated on the basis of the normal hourly rates applicable to our relevant personnel) and disbursements basis (plus GST).



SUPERVISOR FEES

The Supervisor is entitled to be paid and retain fees in respect of the Scheme approved by us from time to time. The Supervisor's fees are paid by us out of the portion of the management fee charged within the QuayStreet Funds which relates to the Scheme's investment in the QuayStreet Funds. The fee is based on the gross asset value of each Fund within the Scheme.

TRADING COSTS

The QuayStreet Funds may also incur trading costs when buying and selling investments of a fund. Trading costs may be incurred in the underlying QuayStreet Funds, which will indirectly affect the value of your investment.

FEES MUST NOT BE UNREASONABLE

The KiwiSaver Act 2006 requires certain fees charged by KiwiSaver schemes to be not unreasonable. Members or the Financial Markets Authority can apply to the Court for an order that any unreasonable fee be annulled or reduced. Any such application must be made within 1 year of the day that the fee is imposed or debited.

FEES PAID BY THE MANAGER OF THE QUAYSTREET FUNDS

The Manager, in its capacity of manager of the QuayStreet Funds, has agreed to meet the fees payable to the registrar, administration managers and supervisor of the QuayStreet Funds (other than any special fees charged by the supervisor of the QuayStreet Funds) from the management fee charged within the QuayStreet Funds. The Manager, in its capacity of manager of the QuayStreet Funds, has also agreed to pay the valuation-based custody fees charged by the relevant custodian for holding and maintaining securities held by the QuayStreet Funds. The QuayStreet Funds pay any transactional fees charged by the custodian of the QuayStreet Funds. This may change, in which case the fees payable to the custodian, registrar, administration managers and supervisor of the QuayStreet Funds would be paid directly out of each Fund. The Manager, in its capacity of manager of the QuayStreet Funds, may, in respect of the QuayStreet Funds, agree to change the fees with these parties, subject to any restrictions contained in the Master Trust Deed and/or Establishment Deeds, including any notice requirements.

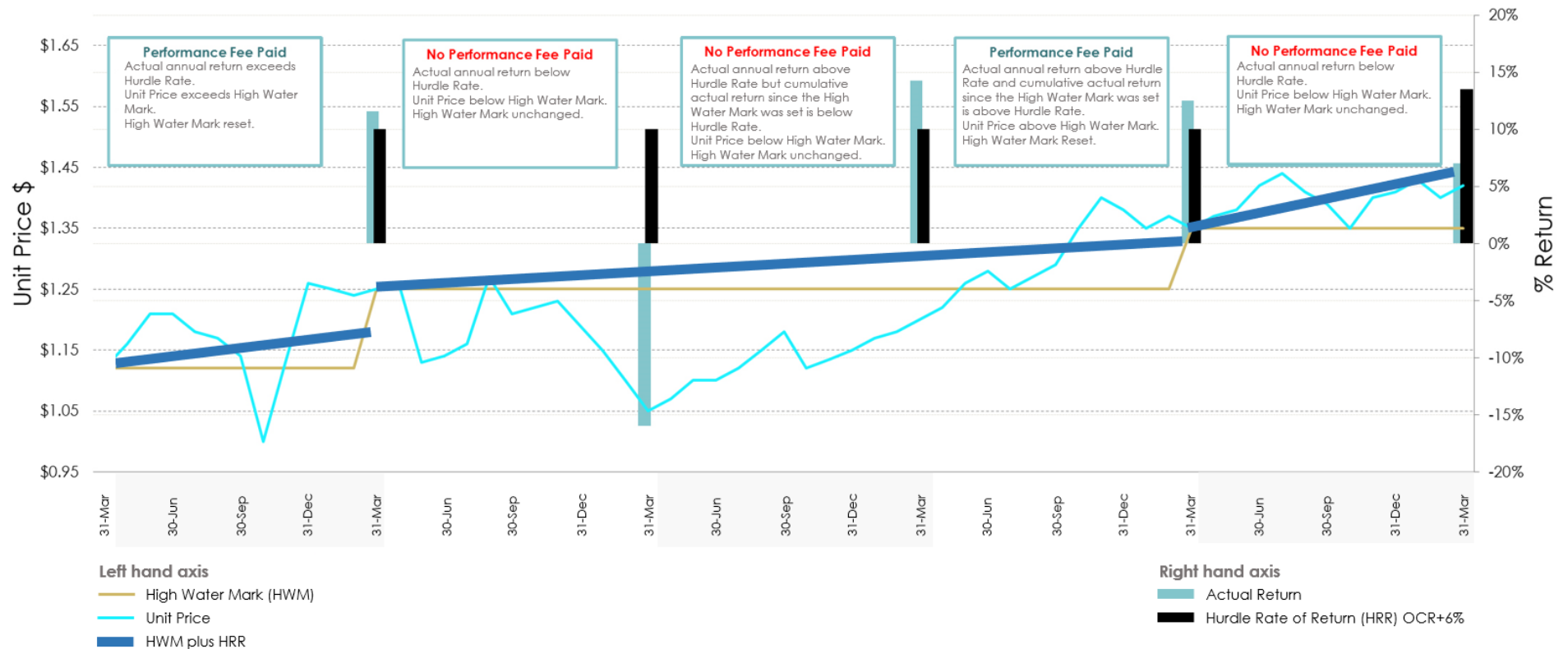
In addition, the supervisor of the QuayStreet Funds is entitled to charge special fees for services of an unusual or onerous nature outside that supervisor's regular services. There is no limit on such special fees. These special fees are not paid out of the QuayStreet Funds' management fee.

GST will be added to any fees, if applicable, at the prevailing rate.

For more details on fees paid by QuayStreet within the QuayStreet Funds, see the latest 'QuayStreet Funds Other Material Information' document available on the offer register, disclose-register.companiesoffice.govt.nz and quaystreet.com.

QUAYSTREET ALTUM FUND PERFORMANCE FEE CALCULATIONS (ILLUSTRATIVE REPRESENTATION)

We are entitled to receive a performance fee in respect of the investment performance of the QuayStreet Altum Fund, which is one of the QuayStreet Funds in which the Scheme invests. Investments in the Scheme's QuayStreet Altum Fund are invested by the Scheme in the underlying QuayStreet Fund of the same name. In calculating that performance fee, the QuayStreet Altum Fund must return more than the hurdle rate since the high water mark was last set, and the unit price must be above the high water mark. Where the Fund's returns do not exceed the hurdle rate, no performance fee is paid. Where the current unit price is below the high water mark no performance fee will be accrued or paid, irrespective of the Fund's returns. The chart below shows a variety of scenarios relating to the performance of the fund against the hurdle rate and the unit price in relation to the high water mark. The unit price performance is calculated for **illustrative purposes only and is not indicative or representative** of actual or expected returns.





8. ADDITIONAL INFORMATION ON TAX

The following statements in relation to taxation are of a general nature only and are based on current tax legislation. That legislation may change. Tax treatment may vary depending on your individual circumstances. We recommend that you seek professional tax advice. We and the Supervisor do not take any responsibility for your taxation liabilities. Returns to you are likely to be affected by taxation. The taxation rules applying to the Scheme are set out below.

As a portfolio investment entity (PIE), the Scheme will attribute all taxable income (or losses) across all members based on the value of holdings in the Scheme. Tax is calculated on income attributed to you at your nominated Prescribed Investor Rate (PIR). The PIR for individuals is capped at 28%.

YOUR RESPONSIBILITIES

You must advise us of your IRD number within six weeks of joining the Scheme. You must also advise us of your applicable PIR when you join the Scheme, and when your details change.

If you do not notify us of your IRD number, your PIR, or if your PIR changes, you may be taxed at a default rate.

We may be instructed by the Inland Revenue to apply a PIR they have determined. The Inland Revenue will notify you directly if this occurs.

If the PIR we have recorded is lower than the correct PIR, you will need to complete a personal tax return and pay any tax shortfall, interest, and penalties. If the rate applied to your PIE income is lower than your correct PIR you will be required to pay any shortfall as part of the income tax year-end process. 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.

We will seek reconfirmation of your PIR details annually. We may be instructed by the Inland Revenue to update your PIR if they believe it is incorrect. We are required to apply this updated PIR, however, you can provide us with a different PIR if you believe this is incorrect. We are required to provide you with an annual tax certificate, which will include the PIE income attributed to you and the amount of tax paid at your PIR.

HOW TO WORK OUT YOUR PRESCRIBED INVESTOR RATE (PIR)

Refer to the following flow chart to figure out your PIR.

How to work out your Prescribed Investor Rate (PIR)

Follow the chart below to figure out your PIR.



INDIVIDUAL INVESTOR

Income details are for the two income years prior to the tax year the PIR is to be applied.

TRANSITIONAL RESIDENTS

Transitional residents may need to include their overseas income when determining their PIR, and should obtain professional advice when selecting a PIR. An individual is a "transitional resident" provided that she or he has not been a tax resident in New Zealand during the last 10 years, has never been a transitional resident before, is now resident in New Zealand and does not elect out of the transitional residents' regime.

APPLYING TAX RULES TO THE FUNDS

The Scheme's tax liability on PIE income is attributed to its members and will be deducted from each member's interests in the Scheme at the following times in respect of each tax year:

- At the end of the tax year (following 31 March);
- Upon any full or partial withdrawal or switch; or
- If at any time the balance of the remaining holdings is, or could potentially become, insufficient to cover the Scheme's accrued tax liability on income attributed to the member. We will consider potential market movements when determining whether the remaining holdings are of sufficient value to cover the tax liability.

The QuayStreet Funds invest in foreign markets and the returns on these investments are subject to foreign withholding tax. This tax is deducted at source and the QuayStreet Funds receive net tax paid income. The withholding tax rates, and income determination rules may change from time to time.

The tax paid by the Scheme on your share of the income is generally a final tax (that is, the income need not be included in your income tax return). However, the tax paid by the Scheme will not be a final tax if you select a PIR that is too low, or if you have recently become a New Zealand tax resident and have elected to disregard foreign sourced income derived prior to becoming a New Zealand tax resident when calculating your PIR.

EMPLOYER'S SUPERANNUATION CONTRIBUTION TAX (ESCT)

Employer contributions to the Scheme are liable to ESCT.



The rate of ESCT is determined based on the member's total amount of salary and wages and gross employer superannuation contributions in the previous tax year (or estimates of those amounts for the current tax year if the member was not employed for all of the previous tax year).

As of 1 April 2021, with the increase in the top marginal tax rate under the Taxation (Income Tax Rate and Other Amendments) Act 2020, the ESCT rates are as follows:

Total salary and wages and employer contributions	ESCT Rate
\$0 - \$16,800	10.5%
\$16,801 - \$57,600	17.5%
\$57,601 - \$84,000	30%
\$84,001 - \$216,000	33%
\$216,001 upwards	39%

A member may, with agreement from their employer, elect to treat employer contributions to the Scheme as salary and wages, in which case PAYE will be deducted from the contribution at the appropriate rate instead of ESCT.

Taxation of foreign superannuation

The foreign superannuation rules tax transfers from foreign superannuation schemes (other than Australian superannuation schemes) to the Scheme under one of two methods. The methods are the "schedule method", which deems a specified percentage of the transfer amount to be taxable income, and the "formula method", which allows a member to pay tax on the actual gains derived on the investment, if such information is available. Members have the option to apply for a withdrawal from the Scheme up to the value of the tax liability arising in respect of the transfer.

Members who are transitional residents for tax purposes may be entitled to relief from taxation when transferring foreign superannuation entitlements to the Scheme during their 4-year exemption period. Members who migrate to New Zealand but who are unable to be transitional residents for tax purposes (e.g. returning residents) may also be relieved from taxation on the transfer, provided it occurs within 4 years of them becoming a New Zealand tax resident.

Members seeking to transfer foreign superannuation entitlements to the Scheme should seek professional taxation advice as to the impact of these rules.



9. ADDITIONAL INFORMATION ON RISK

All investments involve risk. There is a chance with any investment of an uncertain outcome, where the actual return is different to what was expected.

Risk can cause the value of an investment to go up or down (i.e. be volatile). The extent of any volatility will depend on the specific investment and general market conditions. In extreme circumstances, risk can result in losses which can erode an investment's entire value.

The risks identified below are additional to those referred to in our Product Disclosure Statement.

OTHER RISKS

Other risks that are not reflected in the risk indicator include:

GENERAL BUSINESS RISK

Disruption to the operations of the Scheme through such events as the loss of key personnel, failure of processes and procedures, the extended loss of power, technology failure, or the destruction of premises.

DERIVATIVE RISK

The QuayStreet Funds into which the Scheme invests may invest in derivatives, such as forward contracts, futures, swaps and options. Derivatives may be leveraged (where the QuayStreet Fund exposure exceeds the assets invested in the QuayStreet Fund) and small changes in the value of the underlying assets may significantly increase losses to the QuayStreet Fund.

COUNTERPARTY RISK

A third party may default on their obligations resulting in a loss of value in an investment.

REGULATORY RISK

Future changes to legislation or applicable regulations (including New Zealand and international taxation legislation), which could affect the operation the Scheme or members' interests in the Scheme. The Trust Deed could be amended in a manner that is required or permitted by law that has the effect of reducing the value of members' interests or restricting access to members' entitlements.

INSOLVENCY RISK

The Scheme becoming insolvent or being otherwise unable to meet its financial obligations. If this occurs, members may not recover the full amount of their interest in the Scheme.

PIR RISK

We may either over or underpay tax within the Scheme on a member's behalf, for example, as a result of a member providing us with the wrong PIR or not advising us to change that rate when it needed to be changed. If tax is underpaid, the member will be obliged to pay additional tax (and potentially penalties or interest) to the IRD.

PIE REGISTRATION RISK

If the Scheme fails to satisfy any eligibility criteria for PIE status and that failure is not remedied within the permitted period under the Income Tax Act 2007, the Scheme could lose its PIE status. If the Scheme was to lose PIE status, the Scheme would be taxed at the rate of 28% rather than at each member's PIR. The tax exemption for gains on sale of certain New Zealand and Australian shares (including units in unit trusts) would also cease to apply to the Scheme if PIE status was lost.

ASSET ALLOCATION RISK

Asset allocation risk is the risk generated by the mix of asset classes within the Scheme or a Fund, or the sector and country investment decisions within markets. Research has shown that asset allocation is an important contributor to a Fund's overall investment return. The Funds that have more defensive assets (fixed interest and cash) are likely over time to provide a lower return with smaller fluctuations in that return. The Funds that have more growth assets (shares and property) are likely over time to provide a higher return but with larger variability



in the returns from year to year. Sometimes returns can be negative. The asset allocation risk can impact both a Fund's absolute return and its relative return compared to similar funds that have a different asset allocation.

ASSET CLASS RISK

Asset class risk involves the risks associated with two primary asset classes: defensive assets and growth assets. Defensive assets are also called "income assets" as from a tactical asset allocation standpoint they provide income rather than capital growth.

Defensive assets

Defensive assets, such as fixed interest securities, term deposits and cash, have different risk characteristics to growth assets, such as shares.

The performance of defensive assets is usually more closely aligned to changes in interest rates than growth assets. A rise in interest rates will generally result in a decrease in the value of a defensive asset and the longer the period to maturity the greater the decline in the value of a defensive asset will likely be. Credit quality will also affect value and if a company has a credit rating downgrade then the value of a defensive asset issued by it may fall. In extreme circumstances, if an issuer defaults on its obligations, a defensive asset issued by it may be worthless.

Some of these risks may be mitigated by holding securities across different issuers, with different credit quality and maturities.

Growth assets

The value of a growth asset, such as shares and property, is reflected in the market price of the asset. Prices are generally driven by a company's performance. If the company performs poorly, or if it needs to reduce or stop paying dividends, its share price will usually decline. There are also many broader market forces that can negatively affect the value of shares, such as a weak economy, increased regulation, political uncertainty or negative investor sentiment. Issues like these, as well as many others, can result in lower share prices.



10. OTHER INFORMATION / DISCLAIMERS

This information is issued by QuayStreet Asset Management Limited, a wholly owned subsidiary of Craigs Investment Partners Limited. QuayStreet is the current Manager of the QuayStreet KiwiSaver Scheme. However, Smartshares will replace QuayStreet as the manager of the Scheme. Anyone wishing to make an application for membership in the Scheme should obtain a copy of the current Product Disclosure Statement and consider it before making any decision to invest.

CHANGE OF MANAGER

We have entered into an unconditional agreement with Smartshares under which we will retire as the manager of the Scheme, and Smartshares will be appointed as the manager of the Scheme. As contemplated by that agreement, we have given notice of our retirement as manager of the Scheme to the Supervisor.

We are required by the Trust Deed for the Scheme to give at least three months' notice of our retirement to the Supervisor and, as a result, Smartshares will become the manager of the Scheme in our place in February or March 2023 (the **Transition Date**). When it does, Smartshares will have all of the rights, duties and obligations in relation to the Scheme which we currently have as manager of the Scheme.

As contemplated by the Trust Deed for the Funds, we have appointed, and the Supervisor has approved the appointment of, Smartshares as the replacement manager of the Scheme. We have entered into a deed with the Supervisor and Smartshares in which Smartshares undertakes to the Supervisor, employers and members to be bound by the Trust Deed as manager of the Scheme from the Transition Date. Smartshares is a wholly-owned subsidiary of NZX Limited. It holds a licence issued by the FMA to act as the manager of registered managed investment schemes.

Employers and members do not have to do anything in relation to the change in manager of the Scheme. Once Smartshares has become the manager, it will be responsible for communicating with employers and members in respect of any changes it might make to the Scheme, including in relation to the investment management approach.

CIP and Smartshares have entered into a Transitional Services Agreement pursuant to which CIP has agreed to continue to provide various administrative functions relating to the Scheme to Smartshares for an agreed transitional period.

The appointment of Smartshares as manager of the Scheme will not affect the appointment of The New Zealand Guardian Trust Company Limited as Supervisor.

This information is provided for persons living in New Zealand and is not provided for public dissemination or persons living outside New Zealand.

This information is not intended to constitute financial advice. In preparing this information QuayStreet did not take into account the financial position, needs, goals or risk tolerance of any particular person. Accordingly, before making any investment decision QuayStreet recommends professional assistance from an investment adviser is sought.

Adviser disclosure statements are available on request and free of charge. For information on the Craigs Investment Partners financial advice services and its Financial Advice Provider Disclosure Statement please see craigsip.com/terms-and-conditions.

Disclaimers on the use of market indices in the "Market indices for the Funds" section are as follows:

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