



## OTHER MATERIAL INFORMATION

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# 1. General

This Other Material Information Document (the "Document") has been prepared to meet the requirements of section 57(1)(b)(ii) of the Financial Markets Conduct Act 2013 ("FMC Act") and clause 52 of Schedule 4 of the Financial Market Conduct Regulations 2014 ("FMC Regulations"). All legislation referred to in this Document can be viewed at [www.legislation.govt.nz](http://www.legislation.govt.nz)

In this Document, "you" or "your" refers to a person or entity that invests in the Funds (Portfolios). "We", "us", "our" or "the Manager" refers to New Zealand Investment Portfolio Management Limited as the manager of the Scheme.

Throughout this document, the Funds are referred to as Portfolios as this is a more accurate description of the nature of the investment solution our clients use to achieve their objectives.

Capitalised terms have the same meaning as in the New Zealand Investment Portfolio Management Limited Scheme Trust Deed ("Trust Deed"), unless they are otherwise defined. The Trust Deed for the Scheme is available on the scheme register on Disclose.

The Product Disclosure Statement ("PDS") for the offer of Units in the Portfolios is also available. If you are a 'retail investor' under the FMC Act, you must be given a copy of the relevant PDS before we can accept your application for Units.

For retail investors, the NZIPM Tailored Portfolio Service (Scheme) can only be accessed through a Financial Adviser that meets their obligations under current financial service provider regulations and is approved to act for New Zealand Investment Planning Limited in terms of our compliance assurance requirements.

## 2. Our directors

New Zealand Investment Portfolio Management Limited (**NZIPM**) is the manager and promoter of the Portfolios (**Manager**) and is ultimately responsible for the investment management and administration of the Portfolios. Our directors, as at the date of this Document are:

### **Neville Caird**

Neville has three decades of experience in developing wealth management solutions for a wide range of clients. He is the Chairman of the NZIPM Board of Directors. Neville is an Financial Adviser, holds the internationally recognised Certified Financial Planner (CFP<sup>cm</sup>) designation and has practised as a Personal Financial Adviser since 1989.

Neville has served on a number of trusts and foundations, many of which he is still involved with. Neville is a Fellow member of Financial Advice New Zealand (FANZ), the professional body representing financial advisers and a member of the Institute of Directors. Neville is actively involved in the community associated with his membership of the Rotary Club of Dunedin since 1990. He was awarded a Sapphire Paul Harris Fellowship.

### **Craig Dealey**

Craig joined the team at NZFP in 2002 where he worked as the General Manager and served as Chair of the Investment Committee for 13 years. He was responsible for the day to day function of the wealth management business and a key person in the development of the company over the years.

His experience and skills are wide ranging across compliance, legal, technical, management and administration of wealth management strategies for a variety of clients. Craig's formal qualifications include a Bachelor of Commerce majoring in Accounting and Business Information Systems.

Craig has a strong community focus, volunteering his time to many significant service and charitable organisations. He has served in directorship, treasurer, trustee, chairperson, president and vice president roles within various organisations. Craig is a member of the Institute of Directors and his background and skills provide him with a solid foundation in business management and governance.

### **David McBrearty**

David has practised as a Personal Financial Adviser in Christchurch since 1988 and has vast skill in developing wealth management solutions for a wide range of clients. He is a Director of South Island Financial Planning Co Limited (which operates the Christchurch office of NZFP).

David is a Financial Adviser and holds the internationally recognised Certified Financial Planner (CFP<sup>cm</sup>) designation.

David's formal qualifications include a Master of Commerce (Honours) in Accounting. David is a trustee for two charities and foundations, has been the Chairman and Treasurer of various other voluntary bodies and was a board member of Financial Advice New Zealand (FANZ), the professional body representing financial advisers. He has served as a member of the local school committee and is a member of the Institute of Directors.

### **Michael (Mike) Staal**

Since joining the Financial Advisory Profession in 1986, Mike has had extensive experience in the creation and oversight of wealth management strategies for a wide range of clients. He also served as Managing Director of NZFP since its inception in 1992 through until 2016 and had active responsibilities in governance, operations and compliance around the development and management of the investment strategies of the business and its advisers during this time.

Mike is a Financial Adviser and has been a Certified Financial Planner (CFP<sup>cm</sup>) since the designation was introduced into New Zealand in 1997. Between 2009 and 2014, Mike was appointed to the Code Committee, responsible for the development of the Code of Professional Conduct for Authorised Financial Advisers. He has also been a member of Financial Advice New Zealand (FANZ), since 1988 and was involved in the development of that organisation's first standards of professional practice in 1991. Over many years Mike has also been involved with and held executive committee, director and trusteeships for a variety of professional bodies, professional special interest groups, community service and charitable entities.

## **3. Nature of the business**

- Public Trust is the Supervisor of the Portfolios (Supervisor).
- MMC is the registrar (Registrar) for the Portfolios and provides fund accounting, unit pricing, asset valuation and registry services to us.
- IPM Nominees Limited (Custodian), a wholly owned subsidiary of the Supervisor, is the custodian of the Portfolios' assets. We do not hold any client money - it sits with the Custodian.
- The Supervisor and the Custodian are independent of us and Caliber (the Investment Manager) as well as MMC.
- The Supervisor is licensed to act as a Supervisor for a range of financial products including Unit Trusts pursuant to the Financial Markets Supervisors Act 2011. The Supervisor's licence expires on 16 January 2023 and is subject to conditions particular to the Supervisor. A copy of the licence can be found at <http://www.publictrust.co.nz/corporate-trustee-services/who-are-we>.
- PricewaterhouseCoopers are the Portfolios' auditors (Auditors).
- PricewaterhouseCoopers and its partners have obtained auditor licences under the Auditor Regulation Act 2011. PricewaterhouseCoopers has no relationship with or interests in the Portfolios other than in their capacities as auditors and tax advisors. These services have not impaired their independence as auditors of the Portfolios
- Chapman Tripp are our solicitors on all Portfolio related matters.

None of the Manager, the Investment Manager, any promoter or any of their directors have, during the 5 years preceding the date of these documents, been adjudged bankrupt or insolvent, convicted of any crime involving dishonesty, prohibited from acting as a director of a company, or placed in statutory management, voluntary administration, liquidation, or receivership.

## 4. Our Investment manager

Caliber Investment Limited (**Caliber**) is the investment manager (**Investment Manager**) for the Portfolios. Mark Andrew Wooster is the Chief Investment Officer and Director of Caliber.

Caliber has extensive experience in managing a wide range of investment mandates for a variety of organisations.

Mark Wooster has previously been responsible for the management of \$5.5bn for a large banking organisation. He also developed and maintained the portfolios that provided investment solutions for a large wealth management business and its clients. The skills needed for this work are not acquired quickly or easily but are achieved by applying sound processes over differing economic cycles. Investors in the NZIPM Portfolios will have the benefit of Mark Wooster's wide experience and skills through his involvement with Caliber.

## 5. The Nature of your investment

The NZIPM Tailored Portfolio Service (Scheme) is a managed investment scheme. Your money will be pooled with other investors' money and invested into either the

- IPM Diversified Income Portfolio (invested into as a standalone Portfolio – i.e. 100%)

OR

- IPM Diversified Growth Portfolio (invested into as a standalone Portfolio – i.e. 100%).

OR

- A combination of the two Portfolios in proportions determined by the client, in conjunction with their adviser. (e.g. 50% in the IPM Diversified Income Portfolio and 50% in the IPM Diversified Growth Portfolio or some other allocation).

The Portfolios invest into a mixture of direct securities and one or more fund managers and when they are combined, they work to achieve the overall risk/return objectives of that stated combination.

## 6. How can we change your investment?

The Portfolio fees may be altered by us and the Supervisor from time to time in accordance with the Trust Deed or otherwise by us with the consultation of the Supervisor.

The SIPO can be changed at any time, with the agreement of the Supervisor, but must at all times comply with the law. The SIPO contains each Fund's investment policy and objectives and a copy can be seen at [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose)

An amendment can be made to the Trust Deed or a Supplementary Deed (for any new Schemes or Funds) and this is done with the approval of the Supervisor and in accordance with relevant law.

## 7. Material contracts

The following is a summary of the contracts that we consider to be material in relation to the funds.

### **Trust Deed**

The Trust Deed is an agreement between New Zealand Investment Portfolio Management Limited and the Supervisor which came into effect on 9th September 2016, an amendment to the Trust Deed was executed on the 26<sup>th</sup> January 2021. The Trust Deed governs the establishment and management of the Funds and the relationships between us and you and between us and the Supervisor.

The Trust Deed is available on the scheme register on the Disclose website at

<http://www.business.govt.nz/disclose/>.

### **Supervisor Agreement**

The Supervisor Agreement is supplementary to the Trust Deed and is effective from 9th September 2016. It specifies our agreement with the Supervisor regarding reporting and information to be provided by us to the Supervisor. Nothing in the Supervisor Agreement limits or alters the powers of the Supervisor or our duties under the Trust Deed and relevant law.

### **Investment Management Agreement**

We have entered into an Investment Management Agreement with Caliber Investment. This agreement appoints Caliber Investment as the Investment Manager for all NZIPM Funds.

### **Fund Administration Agreement**

We have entered into a contract with MMC Limited to provide New Zealand Investment Portfolio Management Limited with services around pricing, asset valuation, fund accounting and registry.

All of these agreements can be seen on Disclose.

## 8. Financial Statements and auditors report

Financial Statements for New Zealand Investment Portfolio Management Limited and the Funds are produced and audited annually. Our balance date is 31 March. Copies of these financial statements are on Disclose and historical copies are on the Companies Office website. The relevant information for the search of these documents is as follows

New Zealand Investment Portfolio Management Limited–search on the NZ Companies Register –4958659

IPM Diversified Income Portfolio–search on 'Other Registers', Unit Trusts Register – 2611554

IPM Diversified Growth Portfolio –search on 'Other Registers', Unit Trusts Register – 2611577

In addition to the financial statement audit, MMC Limited is audited annually on their registry, pricing and asset valuation controls and annually on their fund accounting controls, by PWC.

Public Trust as Custodian is audited annually on their controls by PWC.

The Supervisor must continue to meet their licence obligations under the licence mentioned above.

## 9. Taxation

This section briefly summarises the taxation regime as it applies to the Portfolios. It is intended as a general guide only. Everyone has different taxation positions and should seek their own tax advice prior to investing.

### Portfolio Investment Entities

The Portfolios are Portfolio Investment Entities (PIEs). Gains derived by PIEs disposing of shares in New Zealand and certain listed Australian companies should not be subject to tax. Investments in certain offshore equities are taxed under the Fair Dividend Rate method, with a deemed return of 5% of the market value. Disposal gains and dividends received from offshore equities (excluding certain listed Australian companies) should not be subject to tax.

Under the PIE tax regime, a Portfolio will allocate its taxable income to you and, where applicable, pay tax on your allocated income if you have a Prescribed Investor Rate (PIR) of greater than zero. A Portfolio will undertake any necessary adjustments to your interests in the Portfolio to reflect that the Portfolio pays tax at varying rates on your allocated income. we have delegated these functions to MMC.

## **NZ-resident individuals**

The PIRs for individuals in the Portfolios who are New Zealand tax resident are 10.5%, 17.5% and 28%.

Individuals will be eligible for a 10.5% PIR if their taxable income in either of the two immediately prior tax years did not exceed both:

- \$14,000 (excluding PIE income); and
- \$48,000 (including PIE income less losses).

Individuals who do not qualify for the 10.5% rate are eligible for the 17.5% PIR if their taxable income in either of the two immediately prior tax years did not exceed both:

- \$48,000 (excluding PIE income); and
- \$70,000 (including PIE income less losses).

If an individual does not qualify for either the 10.5% PIR or the 17.5% PIR (or does not provide us with a valid IRD number or PIR) their PIR will be 28%. The maximum tax rate for an individual investor in a Portfolio is 28%.

If you have provided us with the correct PIR, you will not be required to include the allocated taxable income in your tax return. If you have provided a PIR that is lower than your correct PIR, you have to include the allocated taxable income in your tax return and you may be subject to interest and penalties on the shortfall. If you have provided a PIR that is higher than your correct 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.

Where joint investors have different PIRs, the highest PIR will be used. If one joint investor does not provide us with their PIR and IRD number, the default 28% rate will apply.

## **NZ-resident non-individuals**

Non-individual investors (such as a company, trust or charity) who provide us with a valid IRD number will have a PIR of 0%. If they do not provide a valid IRD number, the default PIR of 28% will apply. Non-individual investors must account for tax on their allocated income from a Portfolio in their own tax return.

Non-individual investors who are trusts will have a PIR of 0% unless their trustees elect to apply a 10.5%, 17.5% or 28% PIR or they do not provide a valid IRD number. If a 0% PIR applies to a trust, then that trust must account for its allocated income from a Portfolio within its own tax return (at the appropriate tax rate). If a trust elects a 10.5% or 17.5% PIR the trust includes the allocated income from a Portfolio within its own tax return (at the appropriate tax rate) and claims a credit for the tax already paid by the Portfolio. If a trust elects a 28% PIR to be applied against its allocated income from the relevant Portfolio, we will pay tax at the 28% rate and that will be a final tax (a 10.5% PIR is available only to testamentary trusts).

## **New Residents of 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 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. In that case, your returns from a Portfolio will be taxable to you, with a credit being available for any PIE tax paid.

## **Foreign residents**

If you are not a New Zealand resident, your allocated income from a Portfolio will be taxed at 28%. We will account to the IRD directly for tax on your allocated income from the relevant Portfolio.

## **General**

You must advise us of your PIR and IRD number when applying to invest in a Portfolio and if your PIR changes at any time.

The Commissioner of Inland Revenue can require us to disregard a PIR notified by you if the Commissioner considers the rate to be incorrect. The rate that the Commissioner considers appropriate would then apply in respect to you.

Taxable income is attributed annually to 31 March, or at any time you withdraw some or all of your investment from a Portfolio.

If there is a tax loss or there are excess tax credits allocated to you for a period, these will generally be available to you, in the form of a tax credit, if you have a PIR other than 0%. The relevant Portfolio will either re-invest this tax credit by purchasing units in the Portfolio on your behalf in respect of annual attributions as at 31 March or include it in the net proceeds payable to you or applied on your behalf as a result of a full withdrawal.

For non-individual Investors with a 0% PIR, the tax loss or excess credits may be available for offset in that investor's tax return against other income, with any excess available to carry forward.

You should not have to pay tax on withdrawals and distributions (if any) paid to you from a Portfolio.

There may be changes to the taxation legislation and tax rates in the future which may impact you differently. You should always seek independent professional taxation advice for your individual circumstances.

Neither us, the Supervisor, nor any other person guarantees or provides undertakings in relation to the return of capital invested in any of the Portfolios. This includes the payment of any return on capital, or provision of any distribution or payment of any money in relation to any of the Portfolios, or the performance of the Portfolios.