

Macquarie Investment Funds Index Funds

Product Disclosure Statement – 20 December 2022

Issued by Macquarie Asset Management Public Investments (NZ) Limited

This document replaces the Product Disclosure Statement dated 15 December 2022.

This document gives you important information about this investment to help you decide whether you want to invest. There is other useful information about this offer on companiesoffice.govt.nz/disclose. Macquarie Asset Management Public Investments (NZ) Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013 (FMC Act). You can also seek advice from a financial advice provider to help you to make an investment decision.

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1. Key information summary

What is this?

This is a managed investment scheme. Your money will be pooled with other investors' money and invested in various investments. Macquarie Asset Management Public Investments (NZ) Limited will invest your money and charge you a fee for its services. The returns you receive are dependent on the investment decisions of Macquarie Asset Management Public Investments (NZ) Limited, and of its investment managers and the performance of the investments. The value of those investments may go up or down. The types of investments and the fees you will be charged are described in this document.

What will your money be invested in?

There are four investment options offered under this Product Disclosure Statement (PDS).

These investment options are summarised below. More information about the investment target and strategy for each investment option is provided in section 3 of the PDS, "Description of your investment options" on page 5.

Fund name	Description	Risk indicator	Fund charges (estimated) (of the value of the fund's assets each year)	Indicative Buy/sell spread* (of each investment/redemption)
NZ Shares Index Fund	The fund is a passively managed New Zealand shares portfolio that is designed to track the return of the S&P/NZX 50 Index.	<p>← Potentially lower returns Potentially higher returns →</p> <p>1 2 3 4 5 6 7</p> <p>← Lower risk Higher risk →</p> <p>See note 1 below</p>	0.36% ¹	0.13%/0.13%
Ethical Leaders Hedged Global Fixed Interest Index Fund	The fund is a passively managed international fixed interest portfolio that is designed to track the return of the Bloomberg Barclays MSCI Global Aggregate SRI Select ex Fossil Fuels Index. The fund is fully hedged to New Zealand dollars. The fund is governed by the Ethical Leaders Charter (available at macquaireim.com/nz/ethicalcharter) and is managed to specific 'responsible investment' criteria which prohibits investments in certain companies or activities, and encourages investment in companies with strong environmental, social and governance characteristics.	<p>← Potentially lower returns Potentially higher returns →</p> <p>1 2 3 4 5 6 7</p> <p>← Lower risk Higher risk →</p> <p>See notes 2 & 3 below</p>	0.43% ¹	0.16%/0.06%
All Country Global Shares Index Fund	The fund is a passively managed international shares portfolio that is designed to track the return of the MSCI All Country World ex Tobacco Index. The fund targets a position of being 69% gross hedged to the New Zealand dollar. The hedges are based on the currency components of the underlying index.	<p>← Potentially lower returns Potentially higher returns →</p> <p>1 2 3 4 5 6 7</p> <p>← Lower risk Higher risk →</p> <p>See notes 1 & 4 below</p>	0.42% ^{2,3}	0.07%/0.03%
Australian Property Index Fund**	The fund is a passively managed portfolio that provides access to Australian listed property investments through investment in the Macquarie True Index Listed Property Fund. It is designed to track the return of the S&P/ASX 200 A-REIT Accumulation Index fully hedged to New Zealand dollars. The fund is fully hedged to the New Zealand dollar.	<p>← Potentially lower returns Potentially higher returns →</p> <p>1 2 3 4 5 6 7</p> <p>← Lower risk Higher risk →</p>	0.64% ⁴	0.18%/0.18%

* These buy/sell spreads are stated as at the date of the PDS and are indicative only. They may change at any time without notice to investors. See macquaireim.com/nz/spreads for current spreads. For more information about buy/sell spreads and how they are calculated see section 5 of the PDS "What are the fees?" on page 8.

Notes for table on previous page:

** From 15 December 2022, the fund will invest directly in the Macquarie True Index Listed Property Fund, an Australian Unit Trust. As the fund will no longer have exposure to New Zealand property it has been renamed the Macquarie Australian Property Index Fund.

- 1 A combination of actual fund returns and market index returns were used to determine the risk indicator for the NZ Shares Index Fund and the Ethical Leaders Hedged Global Fixed Interest Index Fund as these funds commenced operation on 1 December 2017. The risk indicator may therefore provide a less reliable indicator of potential future volatility of these funds. For the five year period ending 30 September 2022, market index returns have been used up to 1 December 2017 with actual fund returns used for the balance of the period to 30 September 2022.
- 2 A combination of actual fund returns and market index returns were used to determine the risk indicator for the All Country Global Shares Index Fund as this fund commenced operation on 14 December 2017. The risk indicator may therefore provide a less reliable indicator of potential future volatility of this fund. For the five year period ending 30 September 2022, market index returns have been used up to 14 December 2017 with actual fund returns used for the balance of the period to 30 September 2022.
- 3 For the All Country Global Shares Index Fund, the MSCI All Country World Index was used as a proxy for the MSCI All Country World ex Tobacco Index as the MSCI All Country World ex Tobacco Index was not being calculated for that period and the differences between these two indices are not material.
- 4 The risk indicator for the Australian Property Index Fund is based on the historical returns of the S&P/ASX 200 A-REIT Index for the 5-year period to 30 September 2022.



See section 4 of the PDS, “What are the risks of investing?” on page 7 for an explanation of the risk indicator and for information about other risks that are not included in the risk indicator. To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at sorted.org.nz.

Who manages the Macquarie Index Funds?

The manager of the funds is currently Macquarie Asset Management Public Investments (NZ) Limited (**Manager, we, us or our**) but Mercer (N.Z.) Limited has agreed to acquire the rights to manage the funds and is expected to become the new manager in March 2023.



See section 7 of the PDS, “Who is involved?” on page 9 for more information about us.

What are the returns?

The return on your investment comes from:

- any increase or decrease in the unit price, and
- any income distributions made from the fund.

The funds distribute income half yearly. The Manager’s policy is to distribute 72% of the income of each fund (adjusted for any imputation credits that may be available).



See section 2 of the PDS, “How does this investment work?” on page 4 for more information.

How can you get your money out?

You may at any time request the redemption of some or all of your investment. For each fund, payment will normally be made within 10 business days of the Manager receiving a redemption request from you.

We have the ability, in certain circumstances, to suspend redemptions (for instance, where we believe, in good faith, that it is not practicable or would be prejudicial to investors’ interests for the Supervisor to realise assets or borrow to permit

redemptions – this could be because of market or asset conditions or other circumstances).



See section 2 of the PDS “How does this investment work?” on page 4 for more information.

Your investment in the Macquarie Index Funds can be sold but there is no established market for trading these financial products. This means that you may not be able to find a buyer for your investment.

How will your investment be taxed?

All of the funds offered under this PDS are investment options under the Macquarie Investment Funds Scheme. The Macquarie Investment Funds Scheme is a Portfolio Investment Entity (**PIE**).

The amount of tax you pay in respect of a PIE is based on your Prescribed Investor Rate (**PIR**). To determine your PIR go to ird.govt.nz/toii/pir.



See section 6 of the PDS “What taxes will you pay?” on page 9 for more information.

Where can you find more key information?

Macquarie Asset Management Public Investments (NZ) Limited is required to publish quarterly updates for each fund. The updates show the returns, and the total fees actually charged to investors, during the previous year. The latest fund updates are available at macquarieim.com. The Manager will also give you copies of those documents on request.

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Other than Macquarie Bank Limited ABN 46 008 583 542 (“Macquarie Bank”), any Macquarie Group entity noted in this material is not an authorised deposit-taking institution for the purposes of the Banking Act 1959 (Commonwealth of Australia). The obligations of these other Macquarie Group entities do not represent deposits or other liabilities of Macquarie Bank. Macquarie Bank does not guarantee or otherwise provide assurance in respect of the obligations of these other Macquarie Group entities. In addition, (a) the investor is subject to investment risk including possible delays in repayment and loss of income and principal invested and (b) none of Macquarie Bank or any other Macquarie Group entity guarantees any particular rate of return on or the performance of the investment, nor do they guarantee repayment of capital in respect of the investment.

2. How does this investment work?

This PDS is an offer to purchase units in the Macquarie Index Funds. Each of the funds offered under this PDS is constituted within a managed investment scheme that is governed by a trust deed dated 24 November 2015 and amended and restated on 1 April 2022 (the Macquarie Retail Funds Trust Deed).

The money you invest buys units in the fund or funds you choose. Each fund invests in assets, such as shares or bonds. The units do not give you legal ownership of the fund’s assets but they do give you rights to the returns from the assets.

The price of each unit depends on the value of the fund at the time you invest and any buy spread that applies to that fund. We calculate the unit price for a fund by dividing the Current Value of the fund by the number of units the fund has issued. The unit price is calculated daily.

A change in the value of the fund’s assets affects the value of your units. The unit price for a fund will change as the market value of that fund’s assets changes.

The number of units you have, when multiplied by the unit price, gives you the total value of your investment in any one fund (although the impact of tax can result in a change in the number of units you hold, up or down).

The assets of a fund are not available to meet the liabilities of any other fund in the scheme.

Investing in managed funds can help you achieve your savings goals and create greater wealth for the future by offering you:

- **Diversification.** Pooling together large amounts of money enables fund managers to invest in a spread of assets which allows diversification and aims to reduce the risk of your investment portfolio. It also provides access to markets and securities that might otherwise be out of reach.
- **Professional management.** Employing the expertise and resources of a professional manager is particularly beneficial if you do not have the time or the skill to manage your own investments.
- **Simplified investing.** Fund managers take care of the paperwork involved in buying, selling, reporting and record keeping.

The funds are passively managed, meaning the investment managers buy and sell financial products to track the performance of a designated market index.

The return on your investment comes from:

- any increase or decrease in the unit price, and
- any income distributions made from the fund.

The funds distribute income half yearly. Our policy is to distribute 72% of the income (adjusted for any imputation credits that may be available).

The distributions will be calculated on or about 31 March and 30 September in each year. The distributions will be made to those unit holders on the relevant fund’s register of unit holders as at the close of business on the last business day prior to the day the distribution is calculated.

Distribution payments are intended to be made within five business days of the date on which the distribution is calculated.

You may elect to have all (but not part) of your distribution of income reinvested in further units (**Reinvestment Option**) and you can cancel, at any time, your election to reinvest in further units. A buy spread will not be charged on your reinvestment. Two weeks’ notice is required of any changes to your election for those changes to be effective for a given distribution.

The Reinvestment Option may be varied, withdrawn or cancelled by us at any time, by giving not less than three months’ notice to you.

Making investments

You will invest in the funds through an administration and custodial service we deal with. In this case you will not be a direct investor in a Fund and will not have a direct relationship with the Supervisor or ourselves. Instead, the Supervisor and the Manager have a direct relationship with the administration and custodial service, and they will be able to exercise any rights attached to units held. We will send all reports, distribution notifications, and documentation to the administration and custodial service, not directly to you.

We have entered into arrangements with select administration and custodial services in relation to investing in the funds. As such, you should contact your financial advice provider or administration and custodial service for more information on minimum investment or withdrawal levels and cut off times for application. You should refer to the administration and custodial service terms and the relevant marketing information about investing in the funds through that service.

If you wish to invest in the funds and you do not have a financial advisor or administration and custodial service then please contact us using the contact details in section 7 of this PDS, “Who is involved?” on page 9.

Withdrawing your investments

You may request a redemption of some or all of your investment at any time. For each fund, payment will normally be made within 10 business days of our receiving a redemption request from you. However, we have the ability, in certain circumstances, to suspend redemptions (for instance, where we believe, in good faith, that it is not practicable or would be prejudicial to investors’ interests for the Supervisor to realise assets or borrow to permit redemptions – this could be because of market or asset conditions or other circumstances).

When you redeem all or part of your investment from a fund, we will redeem your investment at the unit price for that fund adjusted for the applicable sell spread for that fund.

How to switch between funds

You may at any time request to switch your investment between the funds offered under this PDS or to any other Macquarie Investment Fund offered by us. A switch will be treated as a redemption from one fund or funds and an application into the other fund or funds.

You will not be charged a switch fee but the buy and sell spreads will apply on each redemption and application under the switch. More information about the buy and sell spreads can be found in section 5 of the PDS, “What are the fees?” on page 8.

This PDS provides information on the Macquarie Index Funds. Information on other Macquarie Investment Funds not offered under this PDS is provided in the following PDS documents:

- Macquarie Cash and Fixed Interest Funds PDS
- Macquarie Global Shares Funds PDS
- Macquarie Goals Based Funds PDS
- Macquarie New Zealand and Australian Shares Funds PDS
- Macquarie Property and Infrastructure Funds PDS
- Macquarie Ethical Leaders Diversified Funds PDS.

3. Description of your investment options

Fund	Summary of investment objectives and strategy	Target asset MIX	Risk category	Minimum suggested investment timeframe
NZ Shares Index Fund	<p>Objective: To provide a return that closely matches the return of the S&P/NZX 50 Index (on a gross basis and including imputation credits).</p> <p>Strategy: Investment is in a passively managed low tracking error portfolio managed against companies listed on the S&P/NZX 50 Index.</p>	Australasian equities 100%	5 ¹	5 years
Ethical Leaders Hedged Global Fixed Interest Index Fund	<p>Objective: To provide a return that closely matches the return of the Bloomberg Barclays MSCI Global Aggregate SRI Select ex-Fossil Fuels Index, fully hedged to the New Zealand dollar.</p> <p>Strategy: Investment is in a passively managed low tracking error portfolio managed against companies listed on the Bloomberg Barclays MSCI Global Aggregate SRI Select ex-Fossil Fuels Index. The fund is governed by the Ethical Leaders Charter (available at macquaireim.com/nz/ethicalcharter) and is managed to specific ‘responsible investment’ criteria which prohibits investments in certain companies or activities, and encourages investment in companies with strong environmental, social and governance characteristics. The fund targets a position of being fully hedged to the New Zealand dollar.</p>	International fixed interest 100%	3 ¹	3 years
All Country Global Shares Index Fund	<p>Objective: To provide a return that closely matches the return of the MSCI All Country World ex Tobacco Index with net dividends reinvested (69% gross hedged to the New Zealand dollar).</p> <p>Strategy: Investment is in a passively managed low tracking error portfolio managed against companies listed on the MSCI All Country World ex Tobacco Index. The fund targets a position of being gross 69% hedged to New Zealand dollars, with the hedges based on the currency weights of the underlying index. Currency hedges are normally rebalanced monthly but may be adjusted intra-month for significant cash flows.</p>	International equities 100%	5 ^{2,3}	5 years

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Fund	Summary of investment objectives and strategy	Target asset MIX	Risk category	Minimum suggested investment timeframe
Australian Property Index Fund	<p>Objective: To provide a passively managed low tracking error portfolio managed against companies listed on the S&P/ASX 200 A-REIT Accumulation Index fully hedged to New Zealand dollars.</p> <p>Strategy: Investment is in a passively managed low tracking error portfolio managed against companies listed on the S&P/ASX 200 A-REIT Accumulation Index. The portfolio comprises listed property securities in Australia, either direct or through managed funds, with the objective of generating medium to high returns over the long term.</p> <p>The fund targets a position of being fully hedged to the New Zealand dollar.</p>	Listed property 100%	6 ⁴	5 years

Notes:

- 1 A combination of actual fund returns and market index returns were used to determine the risk indicator for the NZ Shares Index Fund and the Ethical Leaders Hedged Global Fixed Interest Index Fund as these funds commenced operation on 1 December 2017. The risk indicator may therefore provide a less reliable indicator of potential future volatility of these funds. For the five year period ending 30 September 2022, market index returns have been used up to 1 December 2017 with actual fund returns used for the balance of the period to 30 September 2022.
- 2 A combination of actual fund returns and market index returns were used to determine the risk indicator for the All Country Global Shares Index Fund as this fund commenced operation on 14 December 2017. The risk indicator may therefore provide a less reliable indicator of potential future volatility of this fund. For the five year period ending 30 September 2022, market index returns have been used up to 14 December 2017 with actual fund returns used for the balance of the period to 30 September 2022.
- 3 For the All Country Global Shares Index Fund, the MSCI All Country World Index was used as a proxy for the MSCI All Country World ex Tobacco Index as the MSCI All Country World ex Tobacco Index was not being calculated for that period and the differences between these two indices are not material.
- 4 The risk indicator for the Australian Property Index Fund is based on the historical returns of the S&P/ASX 200 A-REIT Index for the 5-year period to 30 September 2022.

The Manager can make changes to the Statement of Investment Policy and Objectives (**SIPO**) of any fund in accordance with the Trust Deed and the FMC Act. Before making changes to the SIPO, the Manager will consider if the changes are in your best interests and consult with the Supervisor. We will give notice of changes to unit holders of the relevant fund prior to effecting any material changes. The most current SIPO for the funds can be found on the scheme register at companiesoffice.govt.nz/disclose.

The Manager's use of the various market indices referred to here is subject to certain terms, conditions and disclaimers as described in the offer register at companiesoffice.govt.nz/disclose in the document titled 'Other material information', located under the 'Documents' tab on the managed fund offer register for the Macquarie Investment Funds.

Further information about the assets in each fund can be found in the fund updates at macquarieim.com.

4. What are the risks of investing?

Understanding the risk indicator

Managed funds in New Zealand must have a standard risk indicator. The risk indicator is designed to help investors understand the uncertainties both for loss and growth that may affect their investment. You can compare funds using the risk indicator.



See section 1 of the PDS, “Key information summary” on pages 2 to 3 for the risk indicators for the funds offered under this PDS.

The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the fund’s assets goes up and down (volatility). A higher risk generally means higher potential returns over time, but more ups and downs along the way.

To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at sorted.org.nz.

Note that even the lowest category does not mean a risk-free investment, and there are other risks (described under the heading “Other specific risks”) that are not captured by this rating.

This risk indicator is not a guarantee of a fund’s future performance. The risk indicator is based on the returns data for the five years to 30 September 2022. While risk indicators are usually relatively stable, they do shift from time to time. You can see the most recent risk indicator in the latest fund updates for these funds.

General investment risks

Some of the things that may cause the funds’ value to move up and down, which affect the risk indicator, are:

Market risk

Market risk is the risk of losses in a fund’s investments arising due to the market prices of those investments changing.

This is of significance to the Index Funds as the assets of those funds are market linked, and are therefore susceptible to general market fluctuations and individual security price fluctuations.

Interest rate risk

Interest rate risk is the risk that market interest rates rise which will lead to a drop in the market values of fixed interest securities.

This is of significance to the Ethical Leaders Hedged Global Fixed Interest Index Fund, as it invests in fixed interest securities and therefore movements in market interest rates will impact the value of this fund.

Credit risk

Credit rate risk is the risk that a business or government bond issuer does not make a payment on a coupon or principal payment when due.

This is of significance to the Ethical Leaders Hedged Global Fixed Interest Index Fund as it invests in fixed interest securities and is dependent on the payment of interest, coupons and principal from the issuers of these securities.

Currency risk

Currency risk is the risk of exchange rate fluctuations between the New Zealand dollar (the currency in which the funds are valued) and foreign currencies.

Currency risk will affect funds that invest in offshore assets that are not fully hedged back to New Zealand dollars. The Ethical Leaders Hedged Global Fixed Interest Index Fund, the All Country Global Shares Index Fund and the Australian Property Index Fund have some or all of the assets invested offshore and therefore the returns of these funds can be affected by movements between the New Zealand dollar and other currencies if they are not adequately hedged.

We manage currency risk for each of the funds which have exposure to overseas assets by a currency management policy, where some or all of the currency exposure is hedged back to New Zealand dollars. The currency management policy for each fund is detailed in the Macquarie Investment Funds SIPO.

Concentration risk

Concentration risk arises when a fund’s assets are concentrated in a particular security, investment vehicle or type of investment vehicle, geographical area or industry. In some circumstances these funds may be subject to higher credit and volatility risks than funds having a more diversified portfolio.

This is of significance to the NZ Shares Index Fund as this fund is concentrated in the New Zealand share market. Concentration risk is also of significance to the Australian Property Index Fund as this fund is concentrated in the property sector.

Liquidity risk

In volatile market conditions, a fund’s assets may not necessarily be as easily realisable as they may have been at a previous point in time, or may only be able to be realised at a lower value than might be expected in normal market conditions. This could have a negative effect on the value of a fund’s assets and its performance, and in turn may affect the value of your investment, the returns you receive from the fund and the applicable buy/sell spreads.

Other specific risks

Passive management risk

The funds are passively managed, meaning the investment managers buy and sell financial products to track the performance of a designated market index. We do not make active investment decisions in these funds, which move the fund’s portfolio holdings significantly away from those portfolio weightings that are determined by the index. Among the consequences of this will be that the funds will not sell a security because the issuer is in financial difficulty or negatively impacting the index return, unless that security is removed from the index being tracked by the fund. There is a risk that this could result in lower returns, than would be the case if the investment manager were able to add and remove securities at will.

Tracking difference risk

The funds are designed to track the price performance of specific market indices. However, a fund will not always be able to exactly match the performance of the index. This could be for a variety of reasons, including the liquidity of the securities held by the fund, timing issues arising in the pricing of international holdings or associated foreign exchange hedging contracts, or operational error. There is a risk that this could result in an investor’s returns being lower than the return on the index for a given period.

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Risk of True Indexing no longer applying

The Australian Property Index Fund invests in the Macquarie True Index Listed Property Fund (Underlying Fund) in which True Indexing is a feature. True Indexing is designed to result in pre-tax returns for investors that equal the returns provided by the Index. The Underlying Fund achieves this by: a) investing in shares, derivatives (including options, futures, warrants and forwards) and cash, either directly or through underlying funds (Underlying Investments) with the aim of providing exposure that closely resembles the exposure of the Index, and b) entering into a swap agreement (Swap) with Macquarie Financial Holdings Pty Limited (Swap Counterparty). If the Underlying Investments outperform the Index, the Swap Counterparty receives this outperformance. If the Underlying Investments underperform the Index, the Swap Counterparty compensates the Fund to the extent of the underperformance. These arrangements enable the Underlying Fund to provide True Indexing regardless of the performance of the Underlying Investments.

True Indexing will cease where the Swap Counterparty and Macquarie Investment Management Australia Limited, the responsible entity of the Underlying Fund, default on their obligations under the Swap and constitution of the Underlying Fund to provide the Index return, or the Swap or Underlying Fund terminates, or investors of the Underlying Fund vote to cease True Indexing. If True Indexing no longer applies, investors of the Underlying Fund (such as the Australian Property Index Fund) will no longer receive the Index return and will no longer be exposed to the Swap Counterparty through counterparty risk; however, investors of the Underlying Fund (such as the Australian Property Index Fund) become exposed to the risk of the Underlying Investments. Investors of the Underlying Fund (such as the Australian Property Index Fund) may not be able to find an equivalent investment in the market with which to replace their investment in the Underlying Fund.

5. What are the fees?

You will be charged fees for investing in the Macquarie Index Funds. Fees are deducted from your investment and will reduce your returns. If any of the funds invest in other funds, those other funds may also charge fees. The fees you pay will be charged in two ways:

Regular charges – for example annual fund charges. Small differences in these fees can have a big impact on your investment over the long term.

One-off fees – for example the initial buy spread.

Annual fund charges

	Management fees (excluding GST)	Estimated Administration charges (including GST)	Total Annual fund charges
NZ Shares Index Fund	0.28%	0.08%	0.36%
Ethical Leaders Hedged Global Fixed Interest Index Fund	0.35%	0.08%	0.43%
All Country Global Shares Index Fund	0.30%	0.12%	0.42%
Australian Property Index Fund	0.25%	0.39%	0.64%

Management fees – We charge an annual management fee to each fund as set out above. GST is currently charged at 15% on 10% of the management fee in accordance with the non-binding IRD agreement with the Financial Services Council of New Zealand Incorporated on behalf of the funds management industry. GST on management fees is currently under review and therefore this percentage may change in the future.

Administration charges – These charges cover the general management of the fund eg supervisor, legal, custodian and audit fees. Subject to the exception noted below, they also cover charges payable in respect of the underlying funds that the above funds invest in. These charges are an estimate. Actual charges over the previous 12 months are available in the latest fund update.

Buy/Sell spreads – Indicative buy and sell spreads as at the date of this PDS are set out in the table below:

	Buy spread	Sell spread
NZ Shares Index Fund	0.13%	0.13%
Ethical Leaders Hedged Global Fixed Interest Index Fund	0.16%	0.06%
All Country Global Shares Index Fund	0.07%	0.03%
Australian Property Index Fund	0.18%	0.18%

These spreads may change at any time and without notice to investors.

Explanation

Buy/Sell spreads – The purpose of buy/sell spreads is to ensure fair treatment of all investors in the fund by making sure that any trading costs incurred as a result of an investor entering or leaving the fund are borne by that investor, and not other investors in the fund.

When you enter or leave a fund, the buy or sell spread will be a cost to you. The buy spread is added to the unit price on entry to the fund, and the sell spread is deducted from the unit price on exit from the fund. The buy/sell spreads belong to the fund and are not fees paid to us. There is no GST charged on buy/sell spreads.

We determine the buy/sell spreads based on what we consider to be the expected trading expenses incurred by the fund in carrying out the buy/sell request. Buy/sell spreads may rapidly change in stressed market conditions and therefore we will regularly review the spreads to ensure they are appropriate for the prevailing market conditions. We may change the buy/sell spreads from time to time and without notice to investors. To view the current buy/sell spreads applicable to the funds, please go to macquarieim.com/nz/spreads. There are no other one-off fees currently being charged to any of the funds offered under this PDS.

Example of how fees apply to an investor

Niel invests \$10,000 in the All Country Global Shares Index Fund. A buy spread of 0.07% is incorporated in the unit price that he pays for his investment. This equates to \$7.

This brings the starting value of his investment to \$9,993.

He is also charged management and administration fees, which work out to about \$41.97 (0.42% of \$9,993). These fees might be more or less if the value of his investment has increased or decreased over the year.

Estimated total fees for the first year

Buy spread: \$7

Fund charges: \$41.97

See the latest fund update for an example of the actual returns and fees investors were charged over the past year.

This example applies only to the All Country Global Shares Index Fund. If you are considering investing in other funds in the scheme, this example may not be representative of the actual fees you may be charged.

The fees can be changed

We can change fees from time to time. We can also add new fees. The rules about fee changes are in the Trust Deed which can be found on the scheme register at companiesoffice.govt.nz/disclose.

Macquarie Asset Management Public Investments (NZ) Limited must publish a fund update for each fund showing the fees actually charged during the most recent year. Fund updates, including past updates, are available on the offer register at companiesoffice.govt.nz/disclose.

6. What taxes will you pay?

All of the funds offered under this PDS are investment options under the Macquarie Investment Funds Scheme. The Macquarie Investment Funds Scheme is a Portfolio Investment Entity (PIE). The amount of tax you pay is based on your PIR. To determine your PIR, go to ird.govt.nz/roles/portfolio-investment-entities/find-my-prescribed-investor-rate. If you are unsure of your PIR, we recommend you seek professional advice or contact Inland Revenue. It is your responsibility to tell the Manager (or, if you invest through an administration and/or custodial service, the provider of that service) your PIR when you invest or if your PIR changes. If you do not tell the Manager (or the provider of the administration and/or custodial service you invest through, if applicable), a default rate may be applied. If the rate applied to your PIE income is lower than your correct PIR, you will be required to pay any tax shortfall as part of the income tax year-end process. 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.

7. Who is involved?

About Macquarie Asset Management Public Investments (NZ) Limited

Macquarie Asset Management Public Investments (NZ) Limited is the manager of the funds.

We have provided notice of our intention to retire as manager and agreed to transfer the rights to manage the funds to Mercer (N.Z.) Limited (**Mercer**) and the Supervisor has approved the appointment of Mercer as the new manager. Mercer is expected to become the new manager of the funds in March 2023. On becoming the new manager, Mercer will have all the rights, duties and obligations that we currently have to manage the funds.

You can contact us by:

Telephone: 0800 400 499

Overseas: +64 (4) 494 2157

Email: clients.nz@macquarie.com

In writing:

Macquarie Asset Management Public Investments (NZ) Limited
PO Box 3764
Wellington 6140

Macquarie Investment Funds Index Funds

Product Disclosure Statement – 20 December 2022

Who else is involved?

Title	Name	Role
Supervisor	The New Zealand Guardian Trust Company Limited	Supervisor of the funds under the FMC Act, responsible for supervising Macquarie Asset Management Public Investments (NZ) Limited as manager of the funds.
Custodian	BNP Paribas Fund Services Australasia Pty Ltd	Appointed by the Supervisor to hold the assets of the funds on behalf of investors.
Investment Manager	Macquarie Asset Management (NZ) Limited	Makes decisions about what the funds invest in. The investment manager may also appoint sub-investment managers to manage fund assets.
Investment Manager	Macquarie Investment Management Global Limited	Appointed by Macquarie Asset Management Public Investments (NZ) Limited as investment manager of the NZ Shares Index Fund and the Australian Property Index Fund. Makes decisions about what the funds invest in.
Investment Manager	UBS Asset Management (Australia) Ltd	Appointed by Macquarie Asset Management Public Investments (NZ) Limited as investment manager of the Ethical Leaders Hedged Global Fixed Interest Index Fund. Makes decisions about what the funds invest in.
Administration Manager	Macquarie Asset Management (NZ) Limited	Appointed by the Manager. Provides administration functions for the funds.

More information, including the Trust Deed, is available on the scheme register at companiesoffice.govt.nz/disclose.

You will invest in the funds through an administration and custodial service we deal with. In this case, the administration and custodial service will hold the units in the funds on your behalf. You should refer to the administration and custodial service terms and the relevant marketing information about investing in the funds through that service for more information.

8. How to complain

Any complaints or problems with the investment should be directed to the Manager using the contact details in section 7 of the PDS, "Who is involved?" on page 9.

In addition, the Manager is a member of Financial Services Complaints Limited, a dispute resolution scheme approved under the Financial Service Providers (Registration and Dispute Resolution) Act 2008. Under that scheme, if you have any complaints or problems with your investment, you should first try to resolve these with the Manager.

If your complaint cannot be resolved with the Manager, you may direct your complaint to:

Financial Services Complaints Limited

PO Box 5967, Wellington

Telephone: 0800 347 257 or +64 (4) 472 3725

Email: complaints@fscl.org.nz

The scheme will not charge a fee to any complainant to investigate or resolve a complaint.

If you are not satisfied with the outcome of your complaint you can contact the Supervisor:

Senior Relationship Manager, Corporate Trusts

The New Zealand Guardian Trust Company Limited
Level 2, Perpetual Guardian House
99 Customhouse Quay
PO Box 3845, Wellington 6140

Telephone: 0800 300 299 or +64 (9) 475 0752

9. Where you can find more information

Further information relating to the Macquarie Index Funds is available on the offer register and the scheme register at companiesoffice.govt.nz/disclose and a copy of information on the offer register or scheme register is available on request to the Registrar of Financial Service Providers.

Other information we will provide

You can also obtain the following information, free of charge:

Information	How to obtain
Latest unit price	The latest unit price is available on our website: macquarieim.com .
Fund information relevant to you	You can inspect documents we hold that are relevant to you, and other documents that are legally required to be provided to you, at our offices during normal business hours, or request an extract of those documents, by written request to us.
Fund updates	The fund updates for the funds will be publicly available from our website and can be requested from us.

You will also be sent an annual tax statement which will include the amount of PIE income allocated to you and the amount of tax paid at your chosen PIR. You will also be asked to confirm your IRD number and PIR.

You can find general information about us, the funds, and our management team on our website macquarieim.com.

10. How to apply

You will invest in the funds through an administration and custodial service we deal with. In this case you will not be a direct investor in a Fund and will not have a direct relationship with the Supervisor or ourselves. Instead, the Supervisor and the Manager have a direct relationship with the administration and custodial service, and they will be able to exercise any rights attached to units held. We will send all reports, distribution notifications, and documentation to the administration and custodial service, not directly to you.

We have entered into arrangements with select administration and custodial services in relation to investing in the funds. As such, you should contact your financial advice provider or administration and custodial service for more information on minimum investment or withdrawal levels and cut off times for application. You should refer to the administration and custodial service terms and the relevant marketing information about investing in the funds through that service.

If you wish to invest in the funds and you do not have a financial advisor or administration and custodial service then please contact us using the contact details in section 7 of this PDS, "Who is involved?" on page 9.

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Glossary

“Macquarie Index Funds” means the fund offered under this PDS being the NZ Shares Index Fund, the Ethical Leaders Hedged Global Fixed Interest Index Fund, the All Country Global Shares Index Fund and the Australian Property Index Fund.

“Current Value” means the value of the assets of the fund less the value of the liabilities of the fund as defined in more detail in the Trust Deed.

“FMC Act” means the Financial Markets Conduct Act 2013.

“Gross Return” means the return before the deduction of tax, expenses and fees and assumes all income is reinvested.

“Manager” means Macquarie Asset Management Public Investments (NZ) Limited.

“Trust Deed” means the Macquarie Retail Funds Trust Deed dated 24 November 2015 and amended and restated on 1 April 2022 (as amended and consolidated from time to time).

Words or phrases not defined in this Glossary have the same meaning as in the Trust Deed.