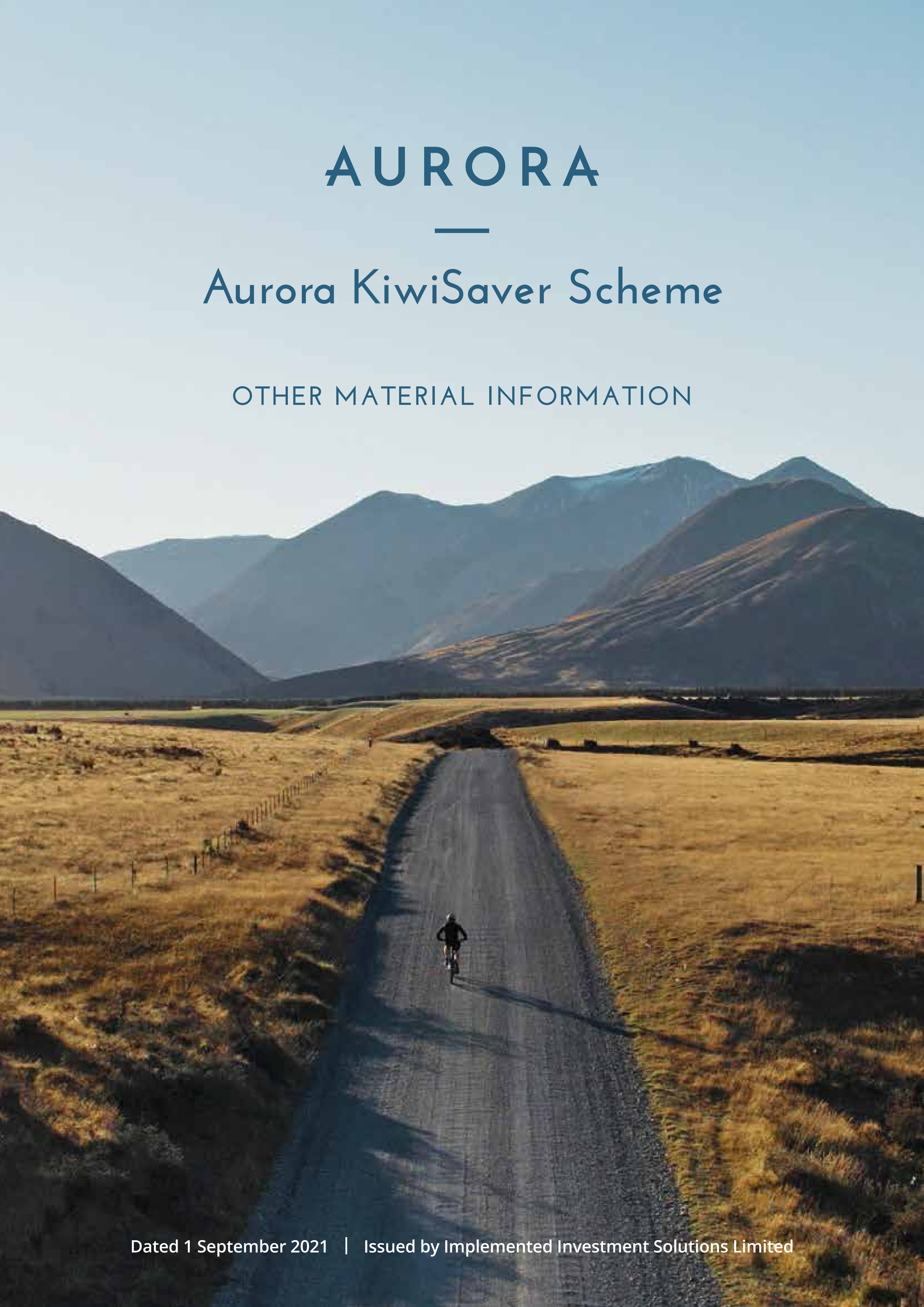
AURORA

Aurora KiwiSaver Scheme

OTHER MATERIAL INFORMATION



Dated 1 September 2021 | Issued by Implemented Investment Solutions Limited

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Introduction

This is an important document in relation to your investment in the Aurora KiwiSaver Scheme (**"Scheme"**) and should be read together with the Product Disclosure Statement (**"PDS"**), the Statement of Investment Policies and Objectives (**"SIPO"**) and other documents held on the register at www.disclose-register.companiesoffice.govt.nz (**"Disclose Register"**).

This Other Material Information Document (**"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 Markets Conduct Regulations 2014 (**"FMC Regulations"**). All legislation referred to in this Document can be viewed at www.legislation.govt.nz.

In this Document, 'you' or 'your' refers to a person that invests in the Aurora KiwiSaver Scheme funds (the **"Funds"**). 'We', 'us', 'our' or 'IIS' refers to Implemented Investment Solutions Limited as the Manager of the Scheme. When we use the word 'current' or 'currently' in relation to any legislation, regulation, policy, information, activity or practice, we refer to these at the date of this Document. Any legislation, regulation, policy, information, activity or practice may be reviewed or changed without us notifying you.

Capitalised terms have the same meaning as in the Aurora KiwiSaver Scheme Trust Deed, unless they are otherwise defined in this Document.

Other information on the Funds

This Document relates to membership of the Scheme and investment in the Funds.

The Funds are constituted within a managed investment scheme called the Aurora KiwiSaver Scheme, registered scheme number SCH13055 The Scheme is governed by the Aurora KiwiSaver Trust Deed (**"Trust Deed"**) dated 21 May 2021, between Public Trust (**"Supervisor"**) and IIS (the **"Governing Document"** for the Scheme). The Funds invest in accordance with the SIPO. You can get an electronic copy of the Governing Document and SIPO from the scheme register on the Disclose website www.disclose-register.companiesoffice.govt.nz.

Joining the Aurora KiwiSaver Scheme

In most cases you will be able to join the Scheme if you are a New Zealand citizen or entitled to New Zealand permanent residency and are living or normally living in New Zealand. However, there are some circumstances when you can join the Scheme if you are not living or normally living in New Zealand. These exceptional circumstances apply if you are an employee of the State services (within the meaning of the State Sector Act 1988) and are:

- serving outside New Zealand;
- employed on New Zealand terms and conditions; and
- serving in a jurisdiction where offers of KiwiSaver scheme membership are lawful.

You can join KiwiSaver for the first time even if you are aged 65 or over.

You cannot opt out of KiwiSaver if you choose to join the Scheme or you opt in through your employer, rather than being automatically enrolled.

Investment options

RetirementPlus

RetirementPlus is not a separate fund, but automatically selects the mix of your investment in the funds based on your age and will reduce your risk as you get older.

Until age 50 you will be invested 80% in the Aurora Growth Fund and 20% in the Aurora Future Focused Fund. Every year from age 50 to 80, we adjust how your investment balance and future contributions are invested between the funds. From age 80 onwards you will be invested 95% in the Aurora Conservative Fund and 5% in the Aurora Future Focused Fund.

We may change the RetirementPlus mix of funds at any time, which could result in a one-off change to your asset allocation to bring it into line with our new model, and could mean that the details above will change. We will advise RetirementPlus members if and when this occurs.

There are no additional charges to use RetirementPlus. RetirementPlus does not consider all your personal circumstances and may not be suitable for you. RetirementPlus also does not consider your personal risk tolerance. You can opt into RetirementPlus at any time. You can also opt out of RetirementPlus at any time. If you opt out of RetirementPlus you will be asked to select your own mix of funds or strategy into which you wish to invest. We reserve the right to remove the RetirementPlus service. We will provide you two months' notice if this happens. If RetirementPlus is no longer available then you'll remain invested in the combination of funds you were in when RetirementPlus closed or you can choose which funds to reinvest in.

Contributions

Minimum amounts

There is no minimum investment amount, although once you have reached your Qualifying Age[1] you may be required to close your Aurora KiwiSaver member account (**"Member Account"**) and end your membership if your account contains less than $1,000. The minimum ongoing voluntary contribution amount is $20.

In addition, provided we notify you, we may close your Member Account at any time if it has a zero balance.

Tax on contributions

Your contributions to the Scheme are made from your after tax pay so there is no additional tax payable on those contributions. The Government Contributions (**"GVC"**) are not taxable.

Your employer is required to withhold Employer Superannuation Contribution Tax (**"ESCT"**) from all contributions they make on your behalf to your Member Account.

The rates of ESCT that are deducted from employer contributions are set out under Determining the ESCT rate at: https://www.ird.govt.nz/tasks/find-the-esct-rate-for-each-employee

Government Contributions

GVCs are currently paid to eligible members by the Government as set out in the PDS.

In most cases you need to be principally residing in New Zealand to qualify for the GVC, although overseas Government workers, charity workers, and some volunteers may also qualify. If this might apply to you, get in touch with us so that we can help you work out whether you qualify for a GVC.

The GVCs are for contributions made in each year 1 July to 30 June. GVCs will reduce proportionately for any part of the GVC year that you:

- were not a KiwiSaver member; or
- were under the age of 18; or
- ceased to principally reside in New Zealand; or
- were over your Qualifying Age.

Your GVC will be based on the number of days in each GVC year during which you qualified for it.

If you joined KiwiSaver on or after 1 July 2019, you can get the GVC up until you turn 65. If you joined KiwiSaver prior to 1 July 2019, you can get the GVC up until you turn 65, or have been a KiwiSaver member for 5 years, whichever is the later. If you joined KiwiSaver at age 60 or over before 1 July 2019 and opt out of the requirement for 5 years of membership and make a withdrawal, you'll no longer be eligible for the GVC.

No GVCs will be paid in respect of amounts transferred to the Scheme from an Australian complying superannuation scheme.

You don't have to do anything to get paid the GVC, as we'll apply for it on your behalf. However, you do need to tell us if your principal place of residence stops being New Zealand, or if you otherwise stop being eligible for the GVC.

Inland Revenue holding account

When you first become a KiwiSaver member, Inland Revenue will hold any contributions they receive for you until you've been a member of KiwiSaver for two months. Once you've been a KiwiSaver member for two months they will pass these contributions, plus interest, to us.

It can take up to three months for your employer or employee contributions to reach your Member

1 Your Qualifying Age is the date you reach the age of eligibility for New Zealand Superannuation (currently age 65) or have been a member of a KiwiSaver scheme (and/or a member of a Complying Superannuation Fund) for at least five years if you joined prior to 1 July 2019. If you joined KiwiSaver at age 60 or over before 1 July 2019, you can opt out of this 5 year requirement.

Account. This is because your employer generally only passes contributions on to Inland Revenue on the 20th of the month following their deduction, and then Inland Revenue takes some time to process and check the contributions before it passes them on. During the time your employer or employee contributions are held by Inland Revenue they will earn interest which will be passed to us with your contributions.

If you have any questions about the amount of your contributions held by Inland Revenue, or the total amount of your employer or employee contributions that they have processed, you can contact Inland Revenue directly.

Savings suspension

If you are employed, and are making regular contributions to KiwiSaver from your wage or salary, you can take a break from contributing to KiwiSaver by applying to Inland Revenue for a savings suspension after you have been a member of a KiwiSaver scheme for twelve months. Your savings suspension can be for a period of between three months and one year.

If you are suffering, or are likely to suffer, financial hardship and Inland Revenue has received at least one contribution from you, you can apply to Inland Revenue for an earlier savings suspension. If granted in these circumstances, your savings suspension will be for a maximum of three months (or a longer period, if Inland Revenue agrees).

Your employer can also suspend the contributions it makes for your benefit while you are on a savings suspension. You can apply for another savings suspension when one expires. You can also revoke or reinstate your savings suspension at any time by notifying your employer.

Withdrawls

Generally you cannot withdraw your savings until you have reached the KiwiSaver Qualifying Age. This is the later of:

- the age of eligibility for New Zealand Superannuation (currently 65); or
- if you joined a KiwiSaver scheme or a complying superannuation fund before 1 July 2019, five years after you joined that scheme. If you are subject to this 5-year lock in period you can elect to opt out at any time after reaching the age of eligibility for New Zealand Superannuation. However, if you choose to opt out, you will no longer be eligible for compulsory employer contributions or government contributions. Those joining after this date are not subject to the 5-year lock in period.

If you have transferred amounts to your Member Account from an Australian complying superannuation scheme (**"Australian Transferred Amounts"**), you may be able to withdraw these amounts from the age of 60.

There are some circumstances in which you may be able to make an early withdrawal as follows:

Buying your first home

You may make a one-off withdrawal from your Member Account to purchase your first home (except $1,000 and any Australian Transferred Amounts) if:

- the land or house you are purchasing is in New Zealand;
- it has been at least three years from the date Inland Revenue received your first contribution to a KiwiSaver scheme, or you have been a member of one or more KiwiSaver schemes or Complying Superannuation Funds for a combined total period of three years or more;
- the land or house is, or is intended to be, your principal place of residence; and
- you have never held an estate in land (there are some detailed rules regarding when a person holds an estate in land).

There are also some circumstances if you have previously owned a house or land you may still be able withdraw your KiwiSaver savings as a second chance withdrawal. You need to apply to Kainga Ora Homes and Communities (formerly Housing New Zealand) for a second chance withdrawal. You can find more information on the Kainga Ora website https://kaingaora.govt.nz/home-ownership/kiwisaver-first-home-withdrawal/

The purchase of an interest in a building on Maori land qualifies as a first home where:

- the building's intended principal use is occupation as a private residence; and
- the building is, or is intended to be, your principal place of residence.

To make a first home withdrawal, there is a process that must be followed and certain information must be provided. Any withdrawal request should be made at least ten business days before the funds are required. You are not able to make a first home withdrawal after your property has settled.

Your lawyer or conveyancing practitioner must provide a copy of the sale and purchase agreement, and give undertakings on your behalf. The undertakings and process will differ depending on whether the agreement is conditional or unconditional. Please contact us for a Home Purchase Withdrawal Application form for further information on the detailed requirements.

Your membership of the Scheme will continue after a first home withdrawal is paid from your Member Account.

KiwiSaver HomeStart grant

If you qualify for a first home withdrawal, then under current Government policy, you may be able to apply to Kainga Ora Homes and Communities for a KiwiSaver HomeStart grant. The grant is subject to certain terms and conditions, currently such as maximum allowed annual income and a house price cap. Previous home owners may apply for a HomeStart grant, however you can only receive the KiwiSaver HomeStart grant once. The KiwiSaver HomeStart grant is administered by Kainga Ora Homes and Communities and grants are paid by Kainga Ora Homes and Communities. For more information on the KiwiSaver HomeStart grant visit the Kainga Ora Homes and Communities website https://kaingaora.govt.nz/home-ownership/first-home-grant/check-you-are-eligible- for-first-home-grant/

Significant financial hardship

You may apply to make a significant financial hardship withdrawal.

Generally, you should make an application only if you are not able to meet your normal essential living expenses (but there are other specific criteria in the KiwiSaver Act 2006 (**"KiwiSaver Act"**).

You'll need to complete a withdrawal request and a statutory declaration of your assets and liabilities, income and expenditure and provide evidence that you are suffering or are likely to suffer significant financial hardship as defined under the KiwiSaver Act, and that all reasonable alternative sources of funding have been explored and exhausted.

Your application is subject to approval by the Supervisor. The Supervisor can limit the withdrawal amount to a lesser amount than what is available in your Member Account (if it decides that a lesser amount is all that you need to alleviate your hardship). If you make a significant financial hardship withdrawal, it will exclude any Government kick start contribution of $1,000[2] and GVCs. It can include any amounts transferred to KiwiSaver from an Australian Complying Superannuation Scheme, but only to the extent that the New Zealand sourced contributions able to be withdrawn (which will be paid to you first) are insufficient.

Your membership of the Scheme will continue after your significant financial hardship withdrawal is paid.

Serious illness

You may be able to make a serious illness withdrawal if you have an injury, illness or disability that results in you being totally and permanently unable to engage in work for which you are suited by reason of experience, education or training, or any combination of those things, or poses a serious and imminent risk of death.

You will need to complete a withdrawal request (including a statutory declaration) and provide medical evidence that you are suffering from a serious illness as defined in the KiwiSaver Act to support your withdrawal request.

Permanent emigration (except Australia)

You can make a withdrawal of your KiwiSaver savings one year after you permanently emigrate from New Zealand.

Your account balance, excluding any GVCs and any Australian Transferred Amounts, will be paid to you as a lump sum. Any GVCs will be repaid to Inland Revenue and (unless you have any Australian Transferred Amounts) your Member Account will be closed.

You will need to complete a withdrawal request (including a statutory declaration) and provide evidence that confirms you have permanently emigrated.

Permanent emigration (Australia)

If you permanently emigrate to Australia, you are not able to withdraw your KiwiSaver savings unless you otherwise qualify for another type of withdrawal (for example, serious illness). You can transfer all of your KiwiSaver savings to an Australian complying superannuation scheme that is willing to accept the transfer. If your KiwiSaver savings are above the maximum amount set out in Australian legislation, you will not be able to transfer any of your KiwiSaver savings. Alternatively, your KiwiSaver savings can remain invested in the Scheme.

Life-shortening congenital conditions

You may be able to make an early withdrawal if you were born with a condition that is expected to reduce life expectancy below 65. The Supervisor will determine whether you're eligible for a life-shortening congenital conditions withdrawal. If you make a withdrawal, you'll no longer be eligible to receive any Government contributions and your employer can stop their contributions. You will

2 You will have received the $1,000 kick-start contribution from the Government if you first joined KiwiSaver before 2pm, on 21 May 2015.

need to complete a withdrawal request (including a statutory declaration) and provide evidence (such as medical evidence) that you are suffering from a life-shortening congenital condition as defined in the KiwiSaver Act to support your withdrawal request.

Death

If you die while you are a member of the Scheme, all of your KiwiSaver savings will be payable, on request, to the executors or administrators of your estate.

Alternatively, if your KiwiSaver savings are less than the prescribed amount (currently $15,000) and certain other conditions are met, we may pay your KiwiSaver savings direct to (for example) a surviving partner or caregiver.

Deferral of withdrawals

We may defer a withdrawal or transfer if we determine this is not desirable, or would be prejudicial to members.

General

When a withdrawal is paid from your Member Account, the amount you receive will reflect the value of your Member Account at the time, less any fees, taxes, expenses and other authorised deductions from your account. The value of your Member Account may go up or down between the date on which you submit your withdrawal request, the date on which it is approved or received, and the date on which the withdrawal request is processed. We may pay out an initial amount that is lower than the total value of your Member Account, if for example an underlying fund into which one of the Funds invests into is suspended or has become illiquid. We will pay out the remaining value of the Member Account once available.

Contributions that qualified for a GVC when made to the Scheme will continue to qualify even if, before the GVC for the relevant year is paid, those amounts have been withdrawn.

You cannot withdraw your GVCs:

- before you (or your personal representative or other relevant person) give us a statutory declaration stating the periods for which you have had your principal place of residence in New Zealand; or
- if we have noticed that your claim for a GVC is wrong because you have not met the residence requirements for certain periods.

How to request a withdrawal

You can request a withdrawal by completing the relevant withdrawal form and sending it to us. Please contact us for a withdrawal form.

It may take some time to consider an early withdrawal request and we may come back to you to ask for further evidence to support your application.

Payment

You will normally receive payment of your withdrawal within ten business days of your application being approved.

Transfers

You can transfer your savings between KiwiSaver schemes at any time. You can do this even if you are:

- no longer living in New Zealand; or
- no longer a New Zealand citizen or entitled to live in New Zealand.

However, you can be a member of only one KiwiSaver scheme at a time, so you must transfer your entire balance to your new KiwiSaver scheme.

In certain situations set out in the KiwiSaver Act, you may be required to transfer from the Aurora KiwiSaver Scheme to another KiwiSaver scheme in accordance with the default allocation principles prescribed in the KiwiSaver Act.

Additional KiwiSaver information

For additional information relating to how KiwiSaver operates, please see https://www.ird.govt.nz/kiwisaver and the KiwiSaver and retirement section on the Commission for Financial Capability's Sorted website: http://sorted.org.nz/must-reads/category/kiwisaver-and-retirement.

Other information on the parties involved

Manager

IIS is a funds management company specialising in establishing and managing New Zealand-domiciled funds. With a deep understanding of New Zealand's investment management industry, IIS works with both local and global investment managers to enable investors to access these specialist managers' investment expertise within Funds and solutions that have been tailored for New Zealand's tax and legislative environment.

IIS was granted a licence to act as the manager of a registered scheme (other than a restricted scheme) under the FMC Act by the Financial Markets Authority (**"FMA"**) on 25 August 2015. The licence is subject to us maintaining the same or better standard of capability, governance and compliance as was the case when the FMA assessed our licence application. The licence is subject to the normal conditions imposed under the FMC Act and the FMC Regulations, and the standard conditions imposed by the FMA.

The names and contact details for directors and information on the shareholders of IIS are available at www.companiesoffice.govt.nz/companies. This information may change from time to time without notice to you.

We are responsible for:

- offering membership in the Scheme;
- issuing membership interests in the scheme;
- managing Scheme property including the investments of each Fund; and
- administering the Scheme.

We may delegate the performance of all or any of our powers, authorities, functions, duties and discretions exercisable under the KiwiSaver Act, the FMCA, and the Trust Deed to our officers and employees or, on notice to the Supervisor, or to any other person we nominate. In particular, we may appoint investment managers, administration managers, and other experts (which can be associated persons). We remain liable for the acts or omissions of those delegates.

We also manage the investments of the Scheme and each Fund and may, subject to compliance with the Scheme's SIPO, Trust Deed, KiwiSaver Scheme Rules and applicable law, give the Supervisor whatever directions are considered necessary in that regard.

For more information on our powers, duties, and responsibilities please see the Trust Deed for the Scheme, including the 'Supervision and management of the Scheme' and 'Manager's powers to invest' clauses.

Investment Manager

Aurora Capital Limited (**"Aurora"**) is the Investment Manager and distributor for the Scheme.

Aurora defines the Funds' investment mandates, is responsible for the Investment of the assets of the Funds into eligible investments, selects appropriate investment managers for those mandates. In addition, Aurora reviews the mandates and the investment managers' performance and provides promotion and distribution support to the Scheme.

About Aurora

Aurora is a funds management business focused on providing responsible investment solutions for New Zealand KiwiSaver members.

Aurora is purpose-driven and seeks to create positive changes through investment, for people and the planet. A specific focus of the Aurora business is to invest in sectors and funds with strong environmental, social, and governance ("ESG") credentials. Aurora believes that investing in companies with the best ESG practices make better long-term investments. Aurora believes companies with better ESG risk management will exhibit better returns and lower downside risks over long-term investment horizons than the broader market. Aurora also believes that companies that are engaged in activities that will help society move towards a more sustainable future will generate better investment returns. While Aurora currently invests via underlying funds rather than directly in companies, it actively avoids underlying investments that, in Aurora's opinion, do harm to the environment and society.

Aurora is New Zealand operated and owned, with Aurora Financial, a related party financial advice business, representing 40% of the ownership. Owing to this partially shared ownership structure, all members of the Aurora KiwiSaver scheme receive financial advice. This financial advice will be provided by an Aurora Financial adviser, or an adviser approved by Aurora Financial and who meets the ongoing standards required by Aurora Financial. Aurora believes that good financial advice is key to helping members achieve their financial goals, where financial advisers work closely with members to identify the investment solutions that can meet their individual risk, return and personal preferences. This may include blending funds to achieve a suitable mix of risk through a lifecycle or strategy approach.

Aurora's vision is to deliver an investment experience that is member, planet and people centric. It aims to do this by providing members with competitive long-term returns, transparency about what's in the portfolios, and creating a positive impact on people and the planet.

Investment Approach

Socially Responsible Investing ("SRI") approach

SRI refers to the concept of incorporating ESG analysis into investment decision making in order to assess the long-term risks associated with underlying investments. Aurora's SRI approach, which is imbedded in its SRI Policy, is implemented through a combined approach of excluding certain sectors, activities and securities but also through allocating capital to sectors of the global economy that Aurora considers will play a material role in improving the health of the planet.

Aurora believes that the challenges we face to tackle global warming in particular, are such that we need to do more than simply exclude carbon emitting industries, but we also need to fund innovations that that will be required to replace legacy carbon emitting processes.

Aurora excludes industries that it believes do more social or environmental harm than good.

These exclusions are:

- Armament production
- Pornography production
- Tobacco production
- Uranium mining
- Whaling,
- Fossil fuel extraction, including:
  - Integrated oil & gas
  - Oil & gas exploration and production
  - Coal mining

The above exclusions apply to all Funds.

In addition to applying the exclusions stated above, the Aurora Future Focused Fund also currently targets an allocation of 20% of its capital to obtain exposure to companies that are important in the transition to a healthier planet and a carbon zero future. These include, but are not limited to:

- Companies that produce energy from solar, wind, and other renewable sources
- Timber & forestry companies
- Companies related to water businesses

While Aurora's ethical and ESG restrictions apply predominantly to their equity investments, they also apply these principles to their fixed income investments. The Aurora Future Focused Fund allocates a portion of the fixed income portfolio to green bonds. Green bonds are investment grade global bonds where the use of proceeds is directly tied to promote climate or other environmental sustainability purposes through independent evaluation.

Implementation

Aurora expects that the implementation of its SRI beliefs will change through time. For the purposes of efficient execution, each of the Funds are currently invested in pooled vehicles. Aurora recognises that there are challenges applying their exclusions to third party pooled investments. However, Aurora undertakes substantial due diligence on any appointed investment manager's ESG approach to ensure alignment with Aurora's stated ESG beliefs.

Initially, as a young business, Aurora has implemented its responsible investing beliefs as follows:

- Aurora Conservative Fund and the Aurora Growth Fund – Aurora has appointed a single underlying fund manager that is best-of-breed in managing multi-asset portfolios with integrated ESG processes, including the exclusions listed above, and is a signatory to the UNPRI.
- Aurora Future Focused Fund – Aurora has combined a selection of Exchange Traded Funds

(**"ETFs"**) that meet the targeted risk and return objectives and satisfy the ESG focus of the Fund.

Although the underlying funds into which the Aurora Future Focused Fund invests are passively managed, initially there will be two components of active management adopted by Aurora. Firstly, the allocations to the underlying ETFs will be actively managed dependent on relative valuation of holdings in each ETF. In addition, ETFs may be added to the portfolio if Aurora believe they can either improve the risk return trade off of the overall portfolio or materially improve the non-financial measures of the portfolio. Conversely ETFs may be removed if Aurora believe they are no longer fit for purpose. Aurora may also adjust the currency hedge ratio if the NZ dollar trades at extremes relative to the US$, Euro or Yen.

As Aurora gains scale, the implementation of its responsible investment approach will be increasingly nuanced potentially involving the addition of more specialist single sector managers in all Aurora Funds. This will allow for a more targeted approach to implementing specific ESG strategies. Aurora's CIO has extensive experience and expertise in global manager selection from which to identify what Aurora believe are the best-in-class investment managers for the Funds.

More information on the underlying managers and funds that the Funds invest in can be obtained by contacting Aurora or IIS.

At all stages of Aurora's evolution, its beliefs will anchor its investment decisions.

Investment Manager Selection and Monitoring

Aurora has an Investment Manager Selection and Monitoring Policy, the key elements of which are detailed below. The full version of Aurora's Investment Manager Selection and Monitoring Policy is available on the Disclose Register.

How Aurora selects fund managers

Aurora assesses fund managers according to three key factors:

1. Talent and culture - The key determinant for success in funds management is the calibre of the investment professionals. Investment process, while important, does not give a funds management business a long term sustainable competitive advantage. Competitors will discover and eventually copy any process innovation. Therefore, the investment process requires constant renewal, which in turn requires intelligent and motivated investment professionals. A clearly defined culture, particularly one that encourages innovation, is also a key component of talent management.
2. Business - The key to attracting, motivating and retaining talent is a business set up to do so. This requires ensuring that the talent is aligned with the interests of both the investors and the owners of the business. Alignment with investors is created by ensuring the investment professional's remuneration is linked to the performance of the investors' portfolio. This can be achieved in multiple ways. Alignment with the business is created by ensuring the investment professional shares in the success of the business. Again, this can be achieved in many ways. The final alignment is to align the business with the investors through managing the size of funds under management; particularly in markets where scale can create substantial headwinds, such as growth or small cap equities. Managing scale also benefits the investment professional as it enables them a better chance to generate the alpha required. We are supportive of investment professionals having a voice in setting the FUM limits at their organisation.
3. Investment Process - Aurora favours fund managers that have a clearly articulated investment process that is reflected in their past

performance. Aurora prefers active management although understands that at times, in certain market conditions, passive management is appropriate. Aurora therefore seeks to ensure that active managers are fully employing their active risk budget but are doing so with a clearly defined risk management process. Aurora prefers active risk to tracking error as a measure of risk.

The resources of the firm need to be consistent with the stated process. Aurora does not have a clear bias between quantitative or qualitative investment processes. It supports investment processes with clear accountability (prefers single person accountability than group decisions) and where there is a clear link between research and ideas in the portfolio. While the process around the buy decision is important, the sell decision is as important. Aurora's focus is on ensuring that the manager's past performance is consistent with their stated investment process.

Other factors which are important tend to relate to compliance and the firm's management of its obligations to the wider community. In particular, Aurora has a focus on ESG factors and hence any manager Aurora appoints should be best-in-class in the inclusion of ESG into their investment process, which includes meeting the standards of Aurora's SRI Policy. A copy of Aurora's SRI Policy is available on the Disclose Register.

Monitoring

Aurora monitors the Funds for compliance with their ESG processes and exclusions. Aurora receives monthly portfolio holdings from their appointed investment managers from which they can undertake their own ESG review.

There are multiple areas in which Aurora review the Funds from an ESG perspective:

1. They compare the ESG rating of the portfolios of the appointed managers against the broader market to ensure the Funds' ESG scores are well above the peer group.
   - For the Aurora Conservative Fund and Aurora Growth Fund, Aurora uses Morningstar's Fund Analysis which compares the relevant fund manager's fund ESG and climate metrics against the broader market.
   - For the Aurora Future Focused Fund Aurora compare the Fund's MSCI ESG Fund ratings against those of the Lipper peer group.
2. For the Aurora Future Focused Fund, Aurora measures the carbon intensity of the Fund on a monthly basis. The metric used to measure carbon intensity is the MSCI Weighted Average Carbon Intensity which measures tons of carbon dioxide emitted per US$ 1 million of sales. Aurora's focus is to ensure the Fund's carbon intensity is on a path to be substantially lower than the Fund's benchmark over the medium to long term.
3. In addition Aurora upload the holdings of the Funds into a software program called Emmi. Emmi measures the Funds' financial exposure to a carbon-constrained economy and the pathway needed to transition to net-zero. Net zero refers to a state in which the greenhouse gases going into the atmosphere are balanced by removal out of the atmosphere. The term net zero is important because – for CO_2 at least – this is the state at which global warming stops. The software provides both portfolio and individual company metrics which enables a comprehensive monitoring of the Funds' compatibility with the transition to net-zero.

This monitoring process enables Aurora to clearly identify poorly performing companies in the Funds and where appropriate, engage with the appointed investment manager to determine their course of action with the relevant company.

If Aurora's monitoring process identifies ESG inconsistencies with an individual ETF in the Aurora Future Focused Fund, Aurora will divest from the ETF and reallocate the capital to a better aligned security.

If Aurora's monitoring process identifies systemic ESG issues with an appointed investment manager's investment process, Aurora will terminate that investment manager and replace it with a more suitable candidate.

Benefits of the Aurora approach

In addition to those key benefits outlined in the PDS, other key benefits to members of investing in the Scheme can include:

- **Investments that do good:** Aurora integrates ESG considerations into all the Funds. This offers members the opportunity to align their investments with their values.
- **Carbon offset allocation:** As part of Aurora's commitment to making a positive impact on the planet, it is proud to support CarbonClick (www.carbonclick.com), an Auckland-based technology company that provides individuals and businesses the tools to calculate and then offset their carbon emissions. Together with CarbonClick, Aurora will measure, track and offset its own carbon footprint, and will encourage its staff, as well as members, to consider offsetting their individual carbon footprints, reducing their environmental impact. Aurora and CarbonClick will work together to not just offset emissions, but to educate Aurora's staff and members on sustainability and how they can reduce their overall emissions wherever possible. In addition to offsetting, the overarching goal is to reduce gross emissions. Aurora believes this approach is consistent with its goal for the planet, which is to actively reduce the overall carbon footprint.

  Registering with CarbonClick is at the discretion of each member, and is the responsibility of each member should they elect to register. Members will need to notify CarbonClick that they are a member of the Aurora KiwiSaver Scheme if and when they register with CarbonClick. If a member registers with CarbonClick, Aurora will pay for offsetting the initial 100kg of that member's carbon footprint. In addition, if a member chooses to personally offset additional amounts of their personal carbon footprint, Aurora will match their first month's offset premium. The cost of any additional carbon offsets over the initial 100kg covered by Aurora, will be borne by members.
- **Transparency about the investments:** Aurora strives to provide members with a clear picture of where their savings are being invested and why Aurora has made those investments.
- **Expertise in manager selection:** With extensive experience in global manager selection, Aurora strives to identify what it believes to be the best-in-class investment managers and strategies that match the needs of the Funds. As the Funds gain scale, Aurora will seek more nuanced investments in ESG solutions that may potentially involve the addition of more specialist single sector managers. At all times in Aurora's evolution, their beliefs will anchor their investment decisions.
- **Investment solutions that reflect the needs and feedback of members:** As an integrated financial services organisation, providing both investment management and financial advice services, Aurora's close proximity to financial advisers and the client means that there is a regular and valuable feedback loop about what members are seeking. This feedback gives members a strong voice in guiding Aurora to build investment solutions that are needed. In addition, Aurora has a close understanding of the average age demographics of members, which better enables suitable risk glidepath solutions to be created for the RetirementPlus investment option, with the aim of accumulating healthy retirement balances for members.

Further information on Aurora, including information on their senior management, can be found at www.aurora.co.nz.

Supervisor

The Supervisor of the Scheme is Public Trust. Public Trust is independent of us.

Public Trust is a statutory corporation and Crown entity established and constituted in New Zealand on 1 March 2002 under the Public Trust Act 2001.

The Supervisor is responsible for supervision of IIS and the Scheme, including:

- acting on behalf of the Scheme's members in relation to IIS and any contravention of IIS's issuer obligations;
- supervising the performance by IIS of its functions and the financial position of IIS and the Scheme; and
- holding the assets of a Fund or the Scheme, or ensuring that the assets are held in accordance with applicable legislative requirements.

The Supervisor was granted a licence under section 16(1) of the Financial Markets Supervisors Act 2011 to act as a supervisor in respect of registered schemes such as this Scheme for a term expiring on 16 January 2023. Full details of the current licence can be found at http://www.publictrust.co.nz/corporate-trustee-services/who-are-we.

Custodian

Public Trust has appointed Adminis NZ Limited (**"Adminis"**) as custodian of the Scheme's assets.

As required by the FMC Act, the custodian is independent of us.

Registrar

IIS has appointed MMC Limited (**"MMC"**) as Registrar for the Scheme.

Investment Fund Administration Manager

IIS has appointed MMC to manage investment fund administration functions including member accounting.

Other

Other key parties currently employed by IIS are:

Party	Role
PricewaterhouseCoopers	Auditor
DLA Piper New Zealand	Legal adviser

Manager and Supervisor's Indemnity

Both we and the Supervisor are entitled to be indemnified out of the Funds. The indemnity covers any personal liability (including Portfolio Investment Entity (**"PIE"**) tax) incurred by or on behalf of the Fund, or any action taken or omitted in connection with the affairs of the Fund (other than in respect of our or the Supervisor's negligence, wilful default or wilful breach of trust). It also covers the costs of any litigation or other proceedings in which such liability has been determined (including legal fees and disbursements). It is subject to the limits on permitted indemnities under the FMC Act which only make the indemnity available in relation to the proper performance of the duties under the FMC Act.

We and the Supervisor, in incurring any debts, liabilities or obligations or in taking or omitting any other action for or in connection with the affairs of the Fund, are each deemed to be acting for and on behalf of the Fund and not in our own respective capacities.

Neither the Supervisor nor we, (except as otherwise expressly provided in the Governing Document) are under any personal liability, nor may resort be had to our private property, for the satisfaction of any obligation of the Fund.

Material Contracts

The following material contracts are in place in relation to the Scheme:

- On 21 May 2021, we and Public Trust entered into the Trust Deed for the Establishment of the Aurora KiwiSaver Scheme. That deed appointed the Supervisor as supervisor, and the Manager as manager of the Scheme and any Funds established under that deed.
- On 26 August 2016, we and MMC entered into a Services Agreement under which Implemented Investment Solutions Limited delegated certain investment fund administrative, and registry, functions in relation to certain funds to MMC. On 30 June 2021 MMC and IIS updated the current agreements to include the Aurora KiwiSaver Scheme, in particular, services relating to managing the Scheme Register.
- On 1 April 2021, we entered into an Investment Management Agreement with Aurora. Under the agreement, Aurora is responsible managing the investment of the assets of the Funds under normal market terms.
- On 1 April 2021, we and Aurora entered into a Fund Hosting Agreement formalising the framework within which IIS is engaged by Aurora to establish and manage the Scheme. Under this agreement IIS is responsible for issuing, administering, and managing the Scheme, with Aurora being appointed as the Investment Manager and distributor of the Scheme. The agreement covers broadly the investment management, administration and distribution of the Scheme and the Fund, branding, advertising and the preparation of offer documents.

Disclosure of Interests

A conflict of interest in relation to a fund means a financial or any other interest, a relationship, or any other association of ours, of the investment manager for the Scheme, or of a relevant person that would, or could reasonably be expected to, materially influence our investment decisions or the investment decisions of the investment manager (or both) in respect of a fund.

Below is a summary of conflicts of interest in relation to the Funds that currently exist or may arise in the future:

- Rebecca Eele is a shareholder of IIS as well as Mint Asset Management Limited (**"Mint"**). Some of the funds in the Aurora KiwiSaver scheme currently invest in funds managed by Mint.

- Parties related to the Funds, including the staff of Aurora and their families, and the staff of Implemented Investment Solutions and their families may from time to time invest in the Funds.

Management of conflicts of interest

The FMC Act imposes statutory controls on related party transactions and conflicts of interest:

- A related party transaction in respect of the Funds may only be done if the details are notified to the Supervisor and we: 1) certify the transaction (or series of transactions) is "permitted" on the basis that the transaction is on arm's length terms, or 2) we obtain the Supervisor's consent on the basis that it is in the best interests of investors, or contingent on Special Resolution approval by investors.
- As manager of the Scheme, we are subject to various statutory duties in the performance of our duties as manager, including the requirement to act honestly and in the best interests of investors.
- Where we contract out our functions to other parties, such as the investment management of the Funds to Aurora, we must ensure the persons to whom we contract those functions perform them to the same manner and are subject to the same duties and restrictions as if we were performing them directly. These include the statutory duties referred to above. We must also monitor the performance of those functions.
- Aurora, as Investment Manager of the Funds, must comply with a professional standard of care i.e. in exercising any powers, or performing any duties as investment manager, they must exercise the care, diligence, and skill that a prudent person engaged in the profession of investment management would exercise in the same circumstances.

We have built these statutory controls into our internal compliance processes and procedures. We have a Conflicts of Interest and Related Party Transactions Policy and Procedure (**"Policy"**) which extends the statutory duties imposed on us to our staff members.

The Policy defines what a conflict of interest is and provides for reporting and disclosure of conflicts of interest to the Board, Manager and Directors.

Key Trust Deed powers to change Scheme terms

This section summarises powers under the Trust Deed. For more information, please refer to the relevant Trust Deed sections. A copy of the Trust Deed is available on the Disclose Register. If there is any conflict between information in this Other Material Information document and the terms of the Trust Deed then the terms of the Trust Deed prevail.

Variation to fees

Under the Trust Deed, we can add new fees in future (such as administration, management, membership, transaction or other fees) and change those from time to time. If we add new fees or increase the new fees added, we will give 30 day's prior written notice to the Supervisor and affected members.

Fees are subject to the KiwiSaver Act requirement not to be unreasonable.

Trust Deed amendments

The Trust Deed may at any time be amended by a deed executed by the Manager and the Supervisor, subject to the provisions of the KiwiSaver Act and the FMCA. Under the FMCA, a KiwiSaver scheme's trust deed can be amended:

- with the consent of the Supervisor, provided that the Supervisor must not consent to an amendment to, or a replacement of, the trust deed unless:
  - the amendment or replacement is approved by, or contingent on approval by, a special resolution of the investors or each class of investors that is or may be adversely affected by the amendment or replacement; or
  - the Supervisor is satisfied that the amendment or replacement does not have a material adverse effect on the investors; and
  - the Supervisor certifies to that effect and certifies, or obtains a certificate from a lawyer, that the governing document, as amended or replaced, will comply with sections 135 to 137 of the FMCA on the basis set out in the certificate;
- under sections 140 or 187(3) of the FMCA or sections 22(7) or 37(6) of the Financial Markets Supervisors Act 2011 (which allow for changes with the FMA or High Court's consent); or
- under any other power to amend or replace the trust deed under an enactment.

The amended deed must also continue to comply with certain sections of the Public Service Act 2020.

Change of Manager or Supervisor

The Trust Deed governs how we and the Supervisor can be appointed and removed.

Change of Manager

We will cease to hold the office of Manager of the Scheme if:

- we are removed by the written direction of the Supervisor after the Supervisor certifies that it is in the best interests of members that we are removed;
- we are removed by a Special Resolution of members;
- we are substituted by the High Court under section 209 of the FMCA; or
- subject to applicable law, we retire by notice in writing to the Supervisor. We need to give 120 days' notice of our intention to retire or such other notice period as the Supervisor may agree.

The Supervisor or the FMA may appoint a temporary replacement manager in accordance with the FMCA.

The manager of the Scheme at any time must be qualified to hold that position under the FMCA (which includes holding a managed investment scheme manager licence that covers the Scheme).

Change of Supervisor

The Supervisor will cease to hold the office of supervisor of the Scheme if it is removed by the FMA under the FMCA, or removed by us or the FMA under part 2 of the Financial Markets Supervisors Act 2011.

The Supervisor will also cease to hold office if:

- we remove the Supervisor with the FMA's prior consent. We must give the Supervisor at least 60 Business Days' written notice; or
- the Supervisor is removed by a Special Resolution of members; or
- subject to applicable law, the Supervisor retires by giving us at least 60 Business Days' written notice,

provided that:

- all functions and duties of the position have been performed;
- another licensed supervisor has been appointed, and accepted the appointment, in its place; or – the High Court consents.

We have the power to appoint a replacement supervisor if the Supervisor is removed from office or retires.

Any supervisor of the Scheme must be qualified to hold that position under the FMCA (which includes holding a licence under the Financial Markets Supervisors Act 2011 which covers the Scheme).

Changes to Funds or SIPO

We can establish Funds within the Scheme for investors to invest in, and can set rules regulating conditions for choosing Funds (such as the maximum number of funds an investor can choose or the minimum amounts that need to be invested in a fund). The terms and conditions of each Fund include a written SIPO for the Scheme, which sets out how we invest each Fund's assets.

The names of the Funds established within the Scheme as at the date of this document are set out in the PDS. Further details of each can be found in the SIPO and most recent quarterly fund updates. A copy of the SIPO for the Scheme and those fund updates are available on the Disclose Register.

We can change the SIPO after giving written notice to the Supervisor. We can also close, wind up, or alter any Fund on any terms and conditions we think fit, subject to providing prior written notice to the Supervisor in accordance with the Trust Deed.

Wind up or alteration of a fund

We may close, wind up or alter (including alter the name of) any Fund as and when and on such terms and conditions as it determines subject to providing 10 Business Days prior written notice to the Supervisor containing an explanation for doing so. On receiving such notice the Supervisor may require the Manager to consult with them on the proposed closure, wind up or alteration.

If a Fund is wound up, the Manager must notify each member holding an interest in that Fund within 10 Business Days of giving notice to the Supervisor, specifying the Fund to which the member will be deemed to have elected to transfer the relevant amount if no choice of replacement Fund is exercised within the period prescribed in the notice.

Wind up of the Scheme

The Manager may wind up the Scheme by resolution in writing and must wind up the Scheme if it is required to be wound up under the FMCA, the Scheme's Trust Deed, by the Courts or by operation of law. If the Manager resolves in writing that the Scheme is to be wound up then the Manager must, as soon as practicable after passing that resolution, provide a copy of the resolution to the Supervisor, and the wind up will take effect on the date specified for that purpose in the resolution.

Taxation

This section briefly summarises the taxation regime as it currently applies to the Scheme. It is intended as a general guide only. There may be changes to the taxation legislation and tax rates in the future which may impact each member differently. Members should always seek independent professional taxation advice for their individual circumstances.

Portfolio Investment Entity

The Scheme has elected to be a Portfolio Investment Entity (**"PIE"**).

Under the PIE tax regime, the Scheme will allocate its taxable income to Investors and, where applicable, pay tax on allocated income on behalf of Investors for an Investor with a prescribed investor rate (**"PIR"**) of greater than zero. The Funds will undertake any necessary adjustments to a member's interests in the Scheme to reflect that the Scheme pays tax at varying rates on behalf of Investors.

Capital gains derived by PIEs in relation to New Zealand and most listed Australian companies are not subject to tax. Investments in certain offshore equities are taxed under the Fair Dividend Rate (**"FDR"**) method, with a deemed annual return of 5% of the market value, prorated over the days that the particular equity is held during the year. Gains derived from fixed interest investments will generally be taxed on an accruals basis.

At the date of this document, the Aurora Future Focused Fund calculates the taxable income accruing from investments in the ETFs it holds, including those ETFs investing in fixed interest investments, using the FDR method. You can find more information on the FDR method on the IRD website (www.ird.govt.nz). Search for 'IR461'. The method of calculation of taxable income may change without notice.

Investors will not pay tax on distributions (if any) paid to Investors from the Funds.

You can find out more about PIE Funds and how they are taxed on the Inland Revenue website (www.ird.govt.nz). Search for 'PIE for Investors'.

Tax on contributions to the Scheme

Your regular contributions to the Scheme are calculated as a percentage of your before-tax salary and wages and are paid from your after-tax income through your employer payroll system.

Employer contributions to the Scheme are also calculated as a percentage of before-tax salary and wages. ESCT is deducted from all employer contributions before they are paid through to the Scheme at the following rates:

ECST rate threshold amount*	Tax Rate
$0 – $16,800	10.5%
$16,801 – $57,600	17.5%
$57,601 – $84,000	30%
$84,001 - $216,000	33%
$216,000 upwards	39%

** The ESCT rate threshold amount comprises the total of your taxable earnings and the before-tax employer superannuation contributions (comprising KiwiSaver scheme and any registered superannuation scheme contributions) made for your benefit in the previous income year (that is, the 12 months to the last 31 March). ESCT rates and thresholds may change in the future. If your current employer did not employ you for all of the previous income year, the above rates will be based on estimates of your expected taxable earnings and employer superannuation contributions for the current income year.*

Withholding tax

Funds within the Scheme, or the underlying funds into which they invest, may invest in offshore managed investment schemes. The offshore managed investment schemes may have foreign withholding tax deducted from income that they receive. However, withholding tax on income received by the offshore managed investment schemes is not recognised under New Zealand tax law and therefore cannot be utilised against any PIE tax liability related to investments in the Fund.

General

Members must advise IIS of their PIR and IRD number when applying for membership of the Scheme and if their PIR changes at any time. If a member does not provide their PIR to IIS they will automatically be taxed at the maximum default rate of 28%. If a member provides a PIR lower than the correct PIR, they may need to pay any tax shortfall, plus interest, and penalties. If the default rate or the PIR advised by the member is higher than the correct PIR, then any additional tax paid by the Scheme on the member's behalf may reduce their income tax liability for that income year and may give rise to a tax refund.

The Commissioner of Inland Revenue can require IIS to disregard a PIR notified by a member if the Commissioner considers the rate to be incorrect. The rate specified by the Commissioner would then apply to that member's attributed income.

Taxable income is attributed annually to 31 March, or at any time a member withdraws all or part of their investment from the Scheme.

If there is a tax loss or there are excess tax credits allocated to a member for a period, these will generally be available to members in the form of a rebate. The Scheme will either re-invest this rebate in the Scheme on a member's behalf in respect of annual attributions as at 31 March, include it in transfer proceeds to another KiwiSaver provider, or include it in the net proceeds payable to that member or applied on their behalf as a result of a full withdrawal.

Risks

This section sets out a summary of the risks that we believe to be the most important, but there may be other risks that are relevant to your investment in the Scheme. You should seek advice from a financial adviser before investing in the Scheme.

Risks described in the Product Disclosure Statement

We consider that the risks set out below could be material to your investment. These risks are summarised in the PDSs for the Scheme.

- **Market risk:** The risk that a market or a sector of a market that a fund invests in declines.
- **Climate risk:** Climate risks include physical risk; which includes risk to assets and activities caused by the direct impact of changing weather patterns and natural catastrophes and transition risk which impact on assets of the transition to a low carbon economy.
- **Individual financial product risk:** The risk that changes in the financial condition or credit rating of an issuer of a financial product causes the value of a financial product held by a fund to decline.
- **Liquidity risk:** The risk that an investment is difficult to buy or sell and a fund suffers a loss as a result.

- **Currency risk:** The risk that changes in exchange rates cause the value of an international investment to reduce.
- **Credit risk:** The risk that issuers of fixed interest or cash investments do not pay interest and/or capital repayments when these are due.
- **Interest rate risk:** The risk that interest rates rise and the value of investments (in particular, fixed interest and cash investments) reduce.
- **ESG bias risk:** Funds biased to highly rated ESG assets face the following specific risks:
  - They may be more concentrated, and potentially more volatile, than a fund without similar restrictions.
  - There may be an additional cost to applying an ESG overlay which could adversely impact returns.
  - The market may not accurately value ESG factors.
- **Integrated financial product risk:** An integrated financial product is one that claims to have non-financial impacts, in this case the Aurora Future Focused Fund targets a lower MSCI carbon intensity than its market index over the medium to long term. There is a risk that the Fund may not achieve its non-financial objectives and may therefore may not align with the intended outcomes of those people who invested in the Fund for its non-financial features.

Other risks

You should also be aware of the risks set out below which are not described in either the PDSs for the Scheme, or in the fund updates.

- **Operational risk:** Operational risk is the risk that operational errors, including business interruptions arising through key personnel changes, human error, technology or infrastructure failure, and other external events, fraud or misconduct, may adversely impact on the operation and performance of the Scheme or a fund within the Scheme. We mitigate this risk through internal policies, procedures and controls, including a compliance programme. We also outsource some aspects of our operations to third-party providers and maintain insurance, subject to normal commercial insurance excesses.
- **Concentration risk:** Concentration risk is the risk that a fund's investments are concentrated in a particular country, market, sector, asset class, or asset which may result in the fund being impacted by adverse events affecting a specific country, market, sector or asset class, or asset.
- **Emerging market risk:** Investments in emerging markets include risks additional to those normally associated with an investment in securities in more developed markets. These risks could cause the returns of a fund with emerging markets exposure to be more volatile than a similar fund with no emerging markets exposure.
- **Manager risk:** Where a fund invests in an underlying fund that has appointed an underlying investment manager or managers, there is a risk that the manager or managers selected underperform, resulting in lower returns than the relevant objective.
- **Third party risk:** The Scheme relies on a number of outsource providers to provide services. The failure of a service provider to deliver such services (because of business interruption, external factors or otherwise) may adversely affect the operation and performance of the Scheme. We mitigate this risk through an outsource provider policy which requires us to conduct due diligence in relation to the selection of outsource providers and to monitor their performance on an on-going basis.

- **Regulatory and legal risk:** Regulatory risk is the risk that the Scheme or its investments may be adversely affected by future changes in applicable laws, an incorrect interpretation of laws or regulations, or by decisions taken by regulatory enforcement agencies. Legal risk is the risk that we do not correctly document or comply with our legal obligations.
- **Underlying funds risk:** Where our Funds invest in funds managed by other managers there is a risk that the underlying fund does not perform as we expect and therefore a fund is not able to fulfil its investment objectives. We do not have control or direct oversight over the functions or performance of any external underlying fund manager through which the Scheme invests. The manager of an underlying fund has no direct legal obligation to you.
- **Tax risk:** There is a risk that tax laws that apply to your interest in the Scheme, or the application, or interpretation of those laws could have an adverse effect on your returns or the value of your interest in the Scheme.

  In particular, there is a PIE tax status risk, which is the risk that the Scheme may lose its PIE status, which would likely affect the after-tax returns that you receive. We mitigate this risk by implementing processes that are designed to ensure that the Scheme complies with the PIE requirements. Please note that we have broad powers to take actions to ensure the funds remain eligible to be multi-rate PIEs. This includes, for example, the ability to refuse investment or to compulsorily withdraw all or part of your interest where continued investment may prejudice a fund's multi-rate PIE eligibility.

How risks can affect an investment

The actual or perceived existence of risk may manifest itself in uncertainty, which in turn increases volatility of investment returns. When the collective sentiment of the market is positive, prices rise; when it is negative, prices fall. If specific risks eventuate a total loss of capital may occur. Each investment will be affected by a different combination of risks.

Because of these risks, it is foreseeable that a member may receive back less than the capital invested by the member into a Fund. However, the member will not be required to pay more money than the amount the member invested in the Fund (with the exception of any PIE tax liability that may be incurred).

No person, including the Supervisor or the Manager or their respective directors and shareholders guarantees the performance of a Fund, any particular rate of return, or the return of a member's capital. A member's investment is not secured against any assets.

Insolvency or winding up

You will not be liable to pay money to any person as a result of the insolvency or winding up of the Scheme (except as described below).

You will be liable to meet any tax liability attributable to you which exceeds the value of your investment in the Scheme (in which case you indemnify the Supervisor for the difference between the value of your Member Account and the tax liability).

On insolvency or winding up of the Scheme, the assets of the Scheme are applied in the following order of priority:

- first, in allowing for all reasonable costs, fees, liabilities, claims and expenses that have or will accrue in the winding up of the Scheme and the administration of the Scheme up to the Winding Up Date and any Tax liability of the Scheme or of the members;
- secondly, in providing for benefits payable under the Trust Deed that had become payable prior to the Winding Up Date and then remain unpaid; and
- thirdly, in respect of each member who at the Winding Up Date has an interest in the Scheme at that date, a benefit equal in value to the member's accumulation in the Scheme shall be transferred to another KiwiSaver Scheme.

More information about market indices

More information on the market indices used by the Funds can be found at the following web pages:

- Bloomberg Barclays Indices: https://www.bloomberg.com/markets/rates-bonds/bloomberg-barclays-indices
- Bloomberg Indices: https://www.bloomberg.com/professional/product/indices/bloomberg-ausbond-index/
- S&P/NZX Indices: http://us.spindices.com/regional-exposure/asia-pacific/new-zealand
- MSCI Indices: http://www.msci.com/indexes

No guarantee

Neither the Supervisor, Manager nor any other person guarantees or provides undertakings in relation to the return of capital invested in the Scheme by a member, the payment of any return on capital, or provision of any distribution or payment of any money in relation to the Scheme, or the performance of the Scheme.

AURORA

Aurora KiwiSaver Scheme