



# NZ Funds Income Generator

## Product Disclosure Statement

**Issued by New Zealand Funds Management Limited 3 December 2021**

This document replaces the Product Disclosure Statement dated 30 June 2021.

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 [disclose-register.companiesoffice.govt.nz](https://disclose-register.companiesoffice.govt.nz). New Zealand Funds Management Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial advice provider to help you to make an investment decision.

# NZFunds

Transforming Wealth



## 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.

New Zealand Funds Management Limited (NZ Funds, we, us or our) will invest your money and charge you a fee for our services.

The returns you receive are dependent on the investment decisions of NZ Funds 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.

### How can you get your money out?

You can withdraw all or part of your investment provided you give us 7 days' notice of your intention to withdraw.

In certain circumstances, NZ Funds may defer or suspend withdrawals. See section 2 of this PDS 'How does this investment work?' on page 5 for more information.

Your investment in the Portfolio 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.

### What will your money be invested in?

The NZ Funds Income Generator (Portfolio) is offered under this Product Disclosure Statement (PDS).

This investment option is summarised on page 4. More information about the investment target and Portfolio for this investment option is provided on page 8.

### How will your investment be taxed?

The Portfolio is a Portfolio Investment Entity (PIE). The amount of tax you pay on your investment in a PIE is based on your prescribed investor rate (PIR).

To determine your PIR, go to [www.ird.govt.nz/roles/portfolio-investment-entities/using-prescribed-investor-rates](http://www.ird.govt.nz/roles/portfolio-investment-entities/using-prescribed-investor-rates). See section 6 of this PDS 'What taxes will you pay?' on page 11 for more information.

### Who manages the Portfolio?

NZ Funds is the manager of the Portfolio. See section 7 of this PDS 'Who is involved?' on page 11 for more information.

### Where can you find more key information?

NZ Funds publishes Quarterly Fund Updates for the Portfolio.

The updates show the returns and the total fees actually charged to investors during the previous year.

The latest Quarterly Fund Updates are available at [www.nzfunds.co.nz](http://www.nzfunds.co.nz). NZ Funds will also give you copies of these documents on request.

### What are the returns?

The Portfolio aims to distribute dividends received through a quarterly payment to investors. The amount distributed will vary, depending on the value of dividends received.

Investors' capital, including capital gains will not be used to make distributions. It is possible that the Portfolio will not receive dividends in some periods, in which case there would be no distribution in those periods.

Investors who do not wish to receive distributions can choose to have their distributions reinvested in additional units in the Portfolio.

Name	Objective	Description	Risk indicator <sup>1</sup>	Estimated annual fund charges <sup>2,3</sup>	Estimated annual fund charges after fee rebate <sup>2,3,4</sup>	
				Year 1	Year 2	Year 3+
NZ Funds Income Generator	To provide a source of income and return by primarily investing in dividend paying shares; and derivatives including options.	Anticipated to mainly own and trade New Zealand and Australian shares; and derivatives including options and other authorised asset classes <sup>5</sup> over the minimum suggested investment timeframe.		1.65%	1.45%	1.25%

See page 8 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 [www.nzfunds.co.nz/AdviceSolutions/RiskProfile/](http://www.nzfunds.co.nz/AdviceSolutions/RiskProfile/).

1. The Portfolio has not been in existence for a full five years to 30 September 2021. Accordingly, the risk indicator was prepared using the returns of a peer group index (as there is no appropriate market index) as well as actual returns. As a result, the risk indicator may provide a less reliable indicator of the potential future volatility of the Portfolio. Peer group index returns have been used for the period prior to 22 October 2020. 2. As a percentage of the Portfolio's net asset value. 3. Includes estimated performance fees. See page 10 for more information. 4. A fee rebate may apply if you invest in the Portfolio for more than one year. See page 10 for more information. 5. The Portfolio's authorised asset classes can be found in the table on page 8.

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## 2. How does this investment work?

### Legal structure

The Portfolio is established within the NZ Funds Managed Portfolio Service Part Two managed investment scheme (Scheme) registered under the Financial Markets Conduct Act 2013 (FMC Act). The Scheme is governed by a trust deed (Trust Deed) between NZ Funds and The New Zealand Guardian Trust Company Limited (Supervisor).

The money you invest into the Portfolio is pooled with other investors' money to purchase assets. You will receive units in the Portfolio which represent your interest in the Portfolio.

The units do not give you legal ownership of the Portfolio's assets but they give you the right to a share of any returns from those assets. The assets of the Portfolio are not available to meet the liabilities of any other fund in the Scheme.

The number of units you receive is based on the Portfolio's unit price. The performance of your investment will be measured by the rise or fall of the unit price and any distributions.

### Features and benefits

#### The Portfolio

The Portfolio is designed for an investor seeking returns, primarily from dividend paying shares, but also from other approved assets, who wishes to have the volatility of their portfolio actively managed.

To achieve this, the Portfolio primarily invests in dividend paying New Zealand and Australian shares, but may also invest in other approved assets; and uses derivatives, options and active management to seek to mitigate share market volatility.

Some of the features of this offer, including the use of derivatives and leverage, may mean an investment in the Portfolio is not appropriate for you.

### Active management

We use an active investment management approach when managing the Portfolio. This approach seeks to maintain a balance between preserving your capital and growing your wealth in a manner that is consistent with the Portfolio's objective. This is different from a passive investment approach.

Our active management approach means that we make ongoing investment decisions, search for emerging opportunities, buy or sell securities as appropriate, and use sophisticated investment instruments and techniques (used by other managers who manage money in similar ways to us) in seeking to achieve the investment objective of the Portfolio.

In managing the Portfolio, we take a wide variety of actions including: altering the proportion invested in each security (e.g. shares, bonds, or other investment instruments) or asset class (different investment categories); altering the manner in which the Portfolio is exposed to each security or authorised asset class; investing directly or indirectly; using derivatives and leverage; using collective investment vehicles; using

specialist investment managers (including hedge funds); using commodities and alternative securities (including digital assets, such as cryptocurrencies); taking foreign currency positions; applying hedging; and/or taking short positions (which can create gains when investments decline). Some of these authorised asset classes or investment categories may be difficult for individual investors to access.

### **Distributions**

The Portfolio aims to distribute dividends received through a quarterly payment to investors. The amount distributed will vary, depending on the value of dividends received.

Investors capital, including capital gains will not be used to make distributions. It is possible that the fund will not receive dividends in some periods, in which case there would be no distribution in those periods.

Investors who do not wish to receive distributions can choose to have their distributions reinvested in additional units in the fund at no cost.

### **Wholesale trusts**

The Portfolio may invest directly or indirectly via wholesale trusts. A wholesale trust is a wholesale fund managed by us which holds investments. Those investments may include directly held securities and/or investments in funds managed by us or external specialist investment managers (external managers). The wholesale trust investment structure provides operational and administrative efficiencies.

In addition to the Portfolio, the wholesale trusts may also be invested in by other wholesale investors including directors and employees of NZ Funds and its related entities.

### **Specialist managers**

External managers may be selected where we consider their investment approach will help meet the Portfolio's objectives.

Some of the external managers we use may not offer their services to individual investors or have high threshold amounts for investment.

### **Use of Derivatives**

We use derivatives in managing the Portfolio.

A derivative is a specialised financial instrument that gets (derives) its value from another asset (the underlying asset). Derivatives are based on a wide variety of assets, including individual shares, share market indices, interest rates, commodities (like gold) and currencies and cryptocurrencies. Examples of derivatives include futures, options, forwards and swaps.

Derivatives are useful because they are financially equivalent to buying, selling, or trading the underlying asset itself.

Derivative markets are generally very liquid because of the volume of transactions traded daily. Therefore, the use of derivatives can help us achieve better outcomes by enabling us

to implement changes rapidly. The transaction costs associated with trading derivatives are also minimal when compared to the costs of buying, selling, or trading the underlying assets.

Derivatives can be considered to be 'leveraged' investments, which means that a relatively small investment in derivatives can produce the same gain or loss as a much larger investment in the underlying asset itself. The use of derivatives and the leverage their use creates may increase or decrease investment risk. NZ Funds uses derivatives in a selective manner and makes decisions on the amount of leverage that the Portfolio may use.

The use of derivatives is somewhat like an individual investor borrowing money to buy an investment. For example, an investor might borrow money to purchase a property or share investment. As a result, gains or losses may be increased compared to an investment that has no borrowing.

The use of derivatives is managed through NZ Funds' active management approach and through the processes and policies surrounding our investment guidelines. The guidelines are not limits on the amount of leverage that the use of derivatives may create in each authorised asset class and the guidelines do not impose a limit on how we may invest. However, derivatives are only used in seeking to achieve the Portfolio's investment objective and are an essential aspect of our active investment approach.

NZ Funds is expected to regularly use leverage (via derivatives) to change the exposure to an authorised asset class. The actual amount of leverage used by the Portfolio since its inception is set out in the Other Material Information document.

The use of derivatives can also substantially alter the returns and risks of the Portfolio and may result in higher or lower returns than a fund that does not use derivatives.

Our ability to use derivatives in managing the Portfolio is unlimited and may be potentially extensive. Our use of derivatives may also lead to the Portfolio being leveraged.

### **Borrowing**

The Portfolio does not borrow to invest.

### **Making investments**

You can invest by completing an online application available by contacting NZ Funds or your financial advice provider, or by completing the application form at the back of this PDS. An investment can be made by lump sum or regular contributions. You can choose to make regular contributions on a weekly, fortnightly, monthly or quarterly basis. You can stop regular contributions any time by using the NZ Funds app or sending us a letter or email.

NZ Funds does not charge a contribution fee.

## Withdrawing your investments

You can withdraw all or part of your investment in the Portfolio by completing an online withdrawal request. Your withdrawal will be processed at the end of a 7-day notice period. Withdrawals are normally paid within four business days after the end of the notice period.

If you experience financial hardship, or in other exceptional circumstances, we may waive the notice period. Once you give your withdrawal notice, you cannot revoke it unless we agree.

Withdrawal proceeds will be calculated on the date that the notice period expires and not on the date you provide your withdrawal request to NZ Funds. You should be aware this can affect the amount of the withdrawal proceeds.

You can also choose to make regular withdrawals of a set amount on a fortnightly, monthly or quarterly basis. You can set up regular withdrawals by completing a single withdrawal request; you do not need to complete a request for each withdrawal. The withdrawal notice period must expire before your first regular withdrawal commences. You can stop regular withdrawals any time by sending us a letter or email.

You can withdraw from the Portfolio and have the proceeds paid into an NZ Funds managed portfolio offered under another PDS. To do this, you will need to complete an application form for the other managed portfolio either online, or by completing the application form in the other PDS.

We may in our discretion defer withdrawals for up to two business days. We may also suspend withdrawals in certain circumstances where we consider that it is not practicable, or would be materially prejudicial to the interests of any investors in the Portfolio.

For more information on withdrawals, see the Other Material Information document on the offer register at [disclose-register.companiesoffice.govt.nz](https://disclose-register.companiesoffice.govt.nz).

NZ Funds does not charge a withdrawal fee.

## 3. Description of your investment option

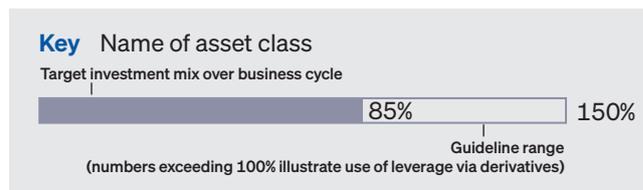
We use an active investment management approach when managing the Portfolio. This approach seeks to maintain a balance between preserving your capital and growing your wealth in a manner that is consistent with the Portfolio's objective.

Our active investment management approach allows the Portfolio to be invested in authorised asset classes in any proportion. It also includes the ability for the Portfolio to use derivatives to create leverage. We also actively manage the foreign currency exposure of the Portfolio.

## Investment guidelines

Our internal investment guidelines set out indicative ranges for authorised asset classes within which the Portfolio will usually (but not always) invest. The authorised asset classes and the guideline ranges for the Portfolio at the date of this PDS are shown in the table on page 8.

The target investment mix shown for the Portfolio at the date of this PDS (being the dark coloured portion of the band for each asset class) is anticipated only and the actual asset allocation is expected to vary significantly within the indicated band over the course of an economic cycle.



More information on our internal investment guidelines, how we manage foreign currency, and the historical investment mix and historical leverage range for the Portfolio is set out in the Other Material Information document.

## Investment policy and objectives

Further information on NZ Funds' investment approach can be found in the Statement of Investment Policy and Objectives (SIPO). The SIPO is available on the scheme register at [disclose-register.companiesoffice.govt.nz](https://disclose-register.companiesoffice.govt.nz). We may make changes to the SIPO at any time after consulting with the Supervisor.

A description of any material changes will be included in the Scheme's annual report. Where required by the Trust Deed or law, you will receive notice of material changes before they occur. Further information about the assets in the Portfolio can be found in the Quarterly Fund Updates at [www.nzfunds.co.nz](https://www.nzfunds.co.nz).

## Responsible investing

Responsible investment, including environmental, social, and governance considerations, is taken into account in the investment policies and procedures of the Portfolio as at the date of this PDS. You can obtain an explanation of the extent to which responsible investment is taken into account in those policies and procedures at [nzfunds.co.nz/responsible-investment-policy.pdf](https://www.nzfunds.co.nz/responsible-investment-policy.pdf).

NZ Funds' internal investment guidelines include estimates of the amount of leverage that may be used in each authorised asset class. Investors should be aware that NZ Funds' use of derivatives and/or other instruments may result in the proportion invested in an authorised asset class exceeding the guidelines shown in the table below from time to time.

Where the upper percentage of a guideline range exceeds 100% this indicates that NZ Funds is expected to regularly use derivatives and/or other instruments to create leverage to increase the exposure to an authorised asset class beyond 100%. Showing a target investment mix of 100% or less for an authorised asset class does not mean derivatives will not be used.

Name	Objective	Portfolio summary & target investment mix <sup>1</sup>	Risk indicator <sup>2</sup>	Minimum suggested timeframe
NZ Funds Income Generator	To provide a source of income and return by primarily investing in dividend paying shares and derivatives including options.	<p>Anticipated to mainly own and trade New Zealand and Australian shares, derivatives including options and other authorised asset classes over the minimum suggested investment timeframe.</p> <p>Cash and cash equivalents 5% 100%</p> <p>Australasian equities 85% 150%</p> <p>Listed property 10% 50%</p> <p>New Zealand fixed interest 0% 50%</p> <p>International fixed interest 0% 100%</p> <p>International equities 0% 50%</p> <p>Alternative securities<sup>3</sup> 0% 50%</p>	4	5 years+

1. For more information on what is included in each asset class, see the SIPO. Monthly updates of the actual investments held by the Portfolio are available on the Performance page of our website at [www.nzfunds.co.nz](http://www.nzfunds.co.nz). 2. The Portfolio has not been in existence for a full five years to 30 September 2021. Accordingly the risk indicator was prepared using the returns of a peer group index (as there is no appropriate market index) as well as actual returns. As a result the risk indicator may provide a less reliable indicator of the potential future volatility of the Portfolio. Peer group index returns have been used for period prior to 22 October 2020. 3. Alternative securities are investments not usually accessed by retail investors, for example hedge funds and digital assets.

## 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. The risk indicator for the Portfolio offered under this PDS can be found on page 4 and above.



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 [www.nzfunds.co.nz/AdviceSolutions/RiskProfile](http://www.nzfunds.co.nz/AdviceSolutions/RiskProfile).

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.

The 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 2021. 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 Quarterly Fund Update for the Portfolio.

The Portfolio does not have a five year return history and there is no appropriate market index for the Portfolio. Accordingly, the risk indicator was prepared using returns on a peer group index prior to 22 October 2020.

The risk indicators are calculated using historical returns only. If the period of returns used in calculating the risk indicators reflected a time of unusually low or unusually high volatility, the risk indicator may not reflect the future volatility of the Portfolio.

NZ Funds is not a traditional fund manager. Our active investment approach tries to anticipate future events and this leads to changes in our asset allocations. Changing our asset allocation may lead to material changes to expected future risk or expected returns.

### General investment risks

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

#### Market risk

Market risk is the risk of volatility or loss caused by a change in the value of the investments held by the Portfolio. Market risk arises from uncertainty about the future value of investments held by the Portfolio. These changes in value may be caused by factors specific to an investment, or as a result of factors affecting financial markets generally.

#### Asset concentration

The Portfolio can hold authorised asset classes and securities in any proportion or concentration, meaning that the Portfolio may not be diversified. For example, from time to time the Portfolio may be predominantly invested in a specific security, external manager, asset class, country or sector and may be particularly exposed to any adverse circumstances affecting them.

## Currency

The Portfolio's unit price is denominated in New Zealand dollars but the Portfolio may be exposed directly or indirectly to foreign currencies. There is a risk that the Portfolio's returns may be adversely affected by foreign currency volatility.

## Other specific risks

Other circumstances that can significantly increase the risk to returns for investors which may not be reflected in the risk indicator include:

### Emerging investment instruments and techniques

In managing the Portfolio, NZ Funds and its external managers are able to use certain sophisticated and emerging investment instruments and techniques (including hedge funds and derivatives) which are used by other managers who manage money in similar ways to us. This may result in the returns on your investment fluctuating more than in some other funds. The risk of sophisticated and emerging investments may be higher than the risk rating for the Portfolio shown by its current risk indicator.

### Higher risk investments

The Portfolio is different from some other funds in that it can invest in a wide range of investments, including investments which may be, or which may have traditionally been, considered to be speculative (e.g. hedge funds, derivatives and cryptocurrencies). This may result in the returns on your investment fluctuating more than in other funds. The risk of those investments may be higher than the risk rating for the Portfolio shown by its current risk indicator.

### Active management

NZ Funds uses an active management approach. Active management is subject to different risks (which may be considered higher risks) than non-active (or passive) management. As a result, our active management approach may cause the returns and capital stability of the Portfolio to differ significantly from the returns and capital stability of the underlying asset classes used.

### What we invest in can change rapidly and significantly

In implementing our active investment management approach we invest in a wide range of assets and emerging investments and change assets quickly. We can do this without notice to investors. The potential for rapid changes in the nature and extent of assets invested in and the potential for emerging investments may significantly increase losses in the Portfolio. As part of our investment management process, we maintain internal investment guidelines which assist in the oversight of the Portfolio. For more information on our internal investment guidelines see the Other Material Information document.

### Unlimited (and potentially extensive) use of leverage via derivatives

In managing the Portfolio, NZ Funds uses derivatives to create leverage to seek to both increase returns (by taking active positions) and reduce risk (by taking hedge positions). There is no limit on our use of derivatives or the amount of leverage their

use may create. The use of derivatives and the leverage their use may create can increase or decrease the risk of the Portfolio materially and is an essential aspect of our active investment approach.

### Derivatives

Derivatives will be used strategically by the Manager to help pursue the aims of the Portfolio. In some cases, we may use derivatives to reduce the risk of losses on certain investments when this is appropriate. At other times, derivatives may be employed to increase our potential for gains, while recognising that this will also increase the volatility of the Portfolio.

### Equity investments

The Portfolio's returns may fluctuate as a result of changes in the value of equity investments that it invests in. The value of an equity investment may be affected by many factors, including the performance of the relevant manager, market sector, asset class or country.

### Execution risk

The Portfolio's investment strategy depends on the ability of NZ Funds to establish and maintain a portfolio of assets including shares and derivatives. If NZ Funds is unable to buy or sell assets or derivatives in a timely and efficient manner, and on terms, including price, that NZ Funds deems reasonable, the Portfolio may be adversely affected.

### Dividend risk

The Portfolio's performance is in part determined by the receipt of dividends from dividend paying companies. If one or more companies cancel or reduce the amount they distribute in dividends the Portfolio may be adversely affected.

### Counterparties

The Portfolio's performance is dependent on the parties to the financial transactions or contracts that it enters into meeting their obligations. There is a risk that the Portfolio's returns may be adversely affected if a party to a financial transaction involving the Portfolio fails to meet its obligations or cannot do so at what NZ Funds considers a fair and reasonable price.

### Specialist managers

We may use external managers in the management of the Portfolio. There are a number of risks associated with investing with these managers. These include wide mandates, redemption restrictions, and the risk that a manager selected underperforms or generates a loss. We have a due diligence process for appointing external managers and all managers are monitored and reviewed.

### Key person

The Portfolio may be dependent on the services of one or more key persons, either inside or outside NZ Funds, and may be adversely affected by the departure or poor performance of one or more of those individuals.

For more information on the risks of investing in the Portfolio, see the Other Material Information document.

## 5. What are the fees?

You will be charged fees for investing in the Portfolio.

Fees are deducted from your investment and will reduce your returns. If NZ Funds invests in other funds, those 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. NZ Funds does not charge any establishment, contribution, termination, withdrawal or transfer fees.

Name	Estimated annual fund charges*	Estimated annual fund charges after fee rebate*	
	Year 1	Year 2	Year 3+
NZ Funds Income Generator	1.65%	1.45%	1.25%

\*As a percentage of the Portfolio's net asset value. Fee rebates are not available on investments made by or through custodial service providers.

### Annual fund charges

Annual fund charges are made up of a management fee, external management fee and performance fee. These fees are deducted directly or indirectly from the Portfolio and are reflected in the unit price of the Portfolio.

In addition to annual fund charges, transaction costs of buying and selling assets (e.g. brokerage) are paid directly or indirectly by the Portfolio and reflected in the unit price.

### Management fee

This covers the management and administration of the Portfolio, including the Supervisor's fee. It is fixed as a percentage of the gross asset value of the Portfolio.

This fee is calculated daily and paid monthly.

### Performance fee

If performance targets are met, NZ Funds may charge a performance fee in the Private Income Generator Trust, a wholesale trust that the Portfolio invests in.

The annual fund charges include an estimated performance fee of 0.13% of the net asset value of the Portfolio. For details of the basis of estimation, please see the Other Material Information document. Actual performance fees will depend on the performance of the wholesale trust and will vary from the estimates.

The performance fee is based on a hurdle rate of return. The hurdle rate is the minimum return the wholesale trust must achieve before a performance fee is charged. A performance fee is only charged (accrued) if the returns of the wholesale trust (before tax, but including imputation credits, if applicable) exceed the performance of the specific peer group index (hurdle rate) set out in the table below.

When we calculate the performance fee, we include a notional management fee which has the effect of increasing the level of return the wholesale trust must achieve before a performance fee is charged.

1. As the hurdle rate based on the performance of the Private Income Generator Trust, you may pay a performance fee even if Portfolio's overall performance is below the return on the peer group index as reported in the Quarterly Fund Updates.

The performance fee is calculated and accrued weekly, and subject to the high-water mark being exceeded (see below), is payable on or after 31 March each year. There is no maximum limit on the performance fee.

The following table sets out the criteria that needs to be met in order for a performance fee to be paid.

Wholesale trust	What is performance assessed against?	Peer group index used as performance benchmark (hurdle rate) <sup>1</sup>	Performance fee amount
Private Income Generator Trust	Hedged Shares	Credit Suisse AllHedge Long/Short Equity Index.	10% of wholesale trust's returns above the hurdle rate.

### High-water mark

A performance fee is accrued if the Private Income Generator Trust's return exceeds the hurdle rate but is only paid for a performance year if the Private Income Generator Trust's unit price exceeds the high-water mark.

If the high-water mark is not exceeded at 31 March, any accrued performance fee is carried forward and will be paid when the high-water mark is exceeded. The high-water mark is the unit price of the Private Income Generator Trust the last time a performance fee was paid. The high-water mark ensures that any accrued performance fee is not paid to NZ Funds until the unit price is above the last high-water mark.

### Changing the performance fee

NZ Funds may change the rate and basis of calculation of the performance fee by giving one month's notice to investors. For more information on the performance fee including an example of how it is calculated, see the Other Material Information document.

### External management fee

NZ Funds may employ third party investment experts to help manage the Portfolio's investments. Where it does, this fee covers the estimated management and performance fees charged by these investment experts.

### Fee rebate

You may receive a fee rebate if you invest in the Portfolio for more than one year. Fee rebates are calculated daily based on the balance of your investment in the Portfolio and paid monthly. The effect of the fee rebates are shown in the table on page 10.

Fee rebates are not available on investments made by or through custodial service providers.

In addition to fee rebates, we may at our discretion and from our own funds, pay or rebate some or all of the fees and expenses described in this section. For more information on fees and fee rebates, see the Other Material Information document.

### Individual action fees

NZ Funds does not charge any establishment, contribution, termination, withdrawal or transfer fees.

### Onboarding & service payments

NZ Funds may pay an external financial advice provider an onboarding and ongoing service payment in recognition of the effort and costs associated with providing services to you. We make these payments out of our own funds and do not deduct these from the Portfolio.

### Additional information

#### GST

Fees do not include GST or other similar tax. This means that if any GST, or other similar tax, is payable on any fee that tax will be an additional cost.

#### The fees can be changed

Under the terms of the Trust Deed, existing fees may be changed or new fees may be introduced. For more information, see the Other Material Information document.

NZ Funds must publish a Quarterly Fund Update for the Portfolio showing the fees actually charged during the most recent year. Quarterly Fund Updates, including past updates, are available at [www.nzfunds.co.nz](http://www.nzfunds.co.nz).

## 6. What taxes will you pay?

The Portfolio is a Portfolio Investment Entity (PIE). The amount of tax you pay is based on your prescribed investor rate (PIR). To determine your PIR, go to [www.ird.govt.nz/roles/portfolio-investment-entities/using-prescribed-investor-rates](http://www.ird.govt.nz/roles/portfolio-investment-entities/using-prescribed-investor-rates). If you are unsure of your PIR, we recommend you seek professional advice or contact Inland Revenue.

It is your responsibility to tell NZ Funds your PIR when you invest or if your PIR changes. If you do not tell NZ Funds, a default rate may be applied.

### Example of how fees apply to an investor

*Sarah invests \$10,000 in the Portfolio. She is not charged an establishment fee or a contribution fee. This means the starting value of her investment is \$10,000.*

*She is charged management and administration fees (comprising management fee, estimated service fee and external management fee) which work out to about \$152 (1.52% of \$10,000). These fees might be more or less if her account balance has increased or decreased over the year.*

*Sarah may also be indirectly charged a performance fee if the Private Income Generator Trust (a wholesale trust in which the Portfolio is invested) earned more than its target.*

*Estimated total fees for the first year: Fund charges \$165\**  
*\* Includes estimated performance fee of \$13.*

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

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 may be refunded to you.

For more information on tax see the Other Material Information document.

## 7. Who is involved?

### About NZ Funds

NZ Funds is the manager of the Portfolio. NZ Funds makes decisions about what assets the Portfolio invests in and may appoint external managers. Our contact details are:

Attention: Client Services  
New Zealand Funds Management Limited

Level 16, 21 Queen Street  
Private Bag 92163  
Auckland 1142

T. 09 377 2277 or 0800 377 2277

E. [info@nzfunds.co.nz](mailto:info@nzfunds.co.nz)

W. [www.nzfunds.co.nz](http://www.nzfunds.co.nz)

### Who else is involved?

Title	Name	Role
Supervisor & Custodian	The New Zealand Guardian Trust Company Limited	Supervisor and Custodian responsible for supervising NZ Funds as manager of the Portfolio, and holding the Scheme's investments on trust for investors.

## 8. How to complain

### NZ Funds

If you have any concerns about your investment please contact NZ Funds. Our contact details are:

Attention: Client Services  
New Zealand Funds Management Limited

Level 16, 21 Queen Street  
Private Bag 92163  
Auckland 1142

T. 09 377 2277 or 0800 377 2277

E. [info@nzfunds.co.nz](mailto:info@nzfunds.co.nz)

W. [www.nzfunds.co.nz](http://www.nzfunds.co.nz)

### Guardian Trust

Complaints can also be made to the Supervisor. The Supervisor's contact details are:

Attention: NZ Funds  
The New Zealand Guardian Trust Company Limited  
Level 14, 191 Queen Street  
PO Box 274  
Auckland 1140

T. 09 909 5100

E. [ct-auckland@nzgt.co.nz](mailto:ct-auckland@nzgt.co.nz)

W. [www.guardiantrust.co.nz](http://www.guardiantrust.co.nz)

## Dispute resolution

NZ Funds and the Supervisor are both members of an approved dispute resolution scheme run by Financial Services Complaints Limited (FSCL). If your complaint has not been resolved to your satisfaction, you can contact FSCL. FSCL will not charge you a fee to investigate or resolve a complaint.

Attention: New Zealand Funds Management Limited  
Financial Services Complaints Limited

PO Box 5967  
Wellington 6140

T. 04 472 3725 or 0800 347 257

E. [complaints@fscl.org.nz](mailto:complaints@fscl.org.nz)

W. [www.fscl.org.nz](http://www.fscl.org.nz)

## 9. Where you can find more information

More information about the Portfolio, such as financial statements, annual reports, Quarterly Fund Updates, the Other Material Information document, the Trust Deed and the SIPO, is available on the offer register and the scheme register at [disclose-register.companiesoffice.govt.nz](http://disclose-register.companiesoffice.govt.nz).

A copy of information on the offer register and the scheme register is available on request from the Registrar of Financial Service Providers.

Quarterly Fund Updates and other information relating to the Portfolio (including the Other Material Information document and the SIPO) is also available on our website.

You may request a copy of this information from NZ Funds free of charge. Our contact details are set out in section 7 of this PDS 'Who is involved?'

## 10. How to apply

You can invest by completing an online application available by contacting NZ Funds or your financial advice provider, or by completing the application form at the back of this PDS.







### 3 | Investment options

#### Lump sum investment

Please make a direct credit to the NZ Funds Applications Account 03-0104-0122344-00 and include your account name in the payment reference details.

Lump sum investments must be paid in from the bank account nominated in the **Bank account details** section above.

NZ Funds Income Generator

A seven day notice period applies. Withdrawals are permitted only after expiry of the notice period.

#### Regular contributions

You can make regular contributions by automatic payment. An automatic payment can be set up through your Internet Banking.

Choose **NZ Funds Applications** as the Bill Payee:

Include your account number in the reference field (this will be emailed to you once the account is set up)

Regular contributions must be paid in from the bank account nominated in the **Bank account details** section above.

A seven day notice period applies. Withdrawals are permitted only after expiry of the notice period.

#### Distribution options

The portfolio intends to make quarterly distributions. You can elect to receive contributions as cash or automatically reinvested into your portfolio.

Choose your distribution options:

- Distributions reinvested - We would like distributions reinvested.
- Distributions paid out - We would like distributions to be paid out. Distributions will be paid to the nominated bank account on this application form.

Continued over...

## 4 | Terms and Conditions

By signing this Application Form, We confirm that:

- All details provided in this Application Form are correct.
- We have received, read and understood the Income Generator Product Disclosure Statement (PDS) dated 3 December 2021 which accompanies this Application Form. We understand that additional information about NZ Funds' Income Generator is available on the online register entry at disclose-register.companiesoffice.govt.nz.
- We agree to be bound by the terms and conditions contained in the PDS (including this Application Form), the Trust Deeds (as amended from time to time) and the online register entry.
- We understand that personal information provided in this Application Form and any personal information provided by me/us in the future will be used by NZ Funds and the Supervisor, and any related companies of these parties, together with my/our financial adviser, for administering the investment, including satisfying the requirements of the AML/CFT Act (this may include using my/our personal information for the purpose of electronic identity verification using various third party databases including the Department of Internal Affairs database). I understand my personal information may also be shared with relevant authorities including Inland Revenue. NZ Funds may also use my/our personal information to provide me/us with information about other products and services. We acknowledge that I/ we have the right to access and correct this information.
- We authorise NZ Funds to disclose personal information to the Financial Markets Authority as may be required from time to time under the Financial Markets Conduct Act 2013 or any other law.
- We agree to inform NZ Funds of any changes of tax residency status that apply to account holders within 30 days of the change.
- NZ Funds, as Manager of NZ Funds' Income Generator, has the power under the Trust Deeds to redeem any units, if it believes compliance of applicable laws (such as AML/CFT) has not been met. NZ Funds does not need to notify the affected unit holder before invoking this power. If NZ Funds chooses to redeem my/our units, the funds will be returned to the nominated bank account in the same name as NZ Funds' Income Generator account. Alternatively, the funds will be held in a non-interest bearing bank account.
- We consent to NZ Funds communicating with me/us, and providing me/us with information, by electronic means (i.e. by email, as provided by me/us and/or by providing me/us with a URL link, or with information through an electronic facility). These communications may include, but not be limited to, general correspondence, investment updates, and legally required communications or documents (including transaction confirmations, annual reports and annual tax statements).
- We confirm that we have downloaded the NZ Funds App, or have registered for myNZFunds, and we consent to receiving transaction information relating to our investment in NZ Funds Income Generator via the NZ Funds App or my NZFunds.
- If two or more individuals have completed this Application Form and separate ownership is not defined, NZ Funds and the Supervisor are entitled to assume the investment is jointly held by those individuals.
- We confirm the selected PIR for this account is correct.
- **We understand the value of my/our investment in the Portfolio can rise and fall depending on market conditions and other circumstances prevailing at the time, and that there is no promise or guarantee made by any person as to the performance of any investment or the return of any funds invested.**

### Client signature(s)

Individual 1

Day                      Month                      Year

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Individual 2

Day                      Month                      Year

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### Important

- The AML/CFT Act requires verification of identity of the applicant. Please ensure the relevant identity information on the following pages is completed in full.

Continued over...

## 5 | Identity verification

NZ Funds is required by the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (AML/CFT Act) to collect identity and address information on its clients.

All new clients must complete identity and address verification and provide the appropriate documents.

Existing clients may be required to complete identity and address verification or update their identity documents. NZ Funds or your financial adviser will advise if this is required.

### There are **three options** to complete identity verification:

Please tick option selected for each Individual.

Option 1	<input type="radio"/> Individual 1	<input type="radio"/> Individual 2
<b>Electronic identity verification by your financial adviser</b>	<ul style="list-style-type: none"><li>You do not need to complete section 5.</li><li>Your financial adviser will need to attach a completed Electronic Verification Certificate.</li></ul>	
Option 2	<input type="radio"/> Individual 1	<input type="radio"/> Individual 2
<b>Documents verified face-to-face by your financial adviser or an NZ Funds employee*</b>	<ul style="list-style-type: none"><li>Please complete section 5A and take your original documents along to your financial adviser or an NZ Funds office to have section 5C(i) completed.</li></ul>	
Option 3	<input type="radio"/> Individual 1	<input type="radio"/> Individual 2
<b>Documents certified face-to-face by a Trusted Referee**</b> <b>AND</b> <b>Verified by your financial adviser or an NZ Funds employee*</b>	<ul style="list-style-type: none"><li>Please complete section 5A and take your original documents along to a Trusted Referee to certify your documents and complete section 5B.</li><li>Please send the original certified copies to your financial adviser who will verify these and complete section 5C(ii). If you do not have a financial adviser, please send your form and original certified copies to: New Zealand Funds Management Limited, Private Bag 92226, Auckland, 1142.</li></ul>	

\* To complete verification, the adviser, employee or other authorised person must be listed on NZ Funds' Register of Individuals Authorised to Perform CDD.

\*\* A **Trusted Referee** must be either a Justice of the Peace, Lawyer, Notary Public, Chartered Accountant, Registered medical doctor or Registered teacher. A Trustee Referee cannot:

- Be your spouse or partner;
- Be related to you;
- Live at the same address as you; or
- Be involved in the transaction or business requiring certification.

Where documents are being certified outside of New Zealand, your Trusted Referee must be a person who is authorised to take statutory declarations under the laws of the country, state or territory where the documents are being certified.

#### Important

- Document certification by a Trusted Referee must occur no earlier than three months prior to the date of presentation.
- Please ensure certified copies of the original documents are attached to this form.
- Where an individual is unable to supply documents as required, please contact NZ Funds on **0508 733 337** or via email at **clientservices@nzfunds.co.nz**.

Continued over...

## 5A | Documentary identity verification | Individual 1

### Identity verification

To verify your identity, select **ONE** of the ID combinations and tick which document(s) you are providing below:

#### ID Combination 1

- Passport **OR**  
 NZ firearms licence

#### ID Combination 2

- NZ driver licence  
And **ONE** of the documents listed below:  
 Credit, debit or eftpos card  
(including name and signature)  
 Bank statement  
 Government agency document  
(e.g. IRD correspondence)

#### ID Combination 3

- NZ driver licence **OR**  
 Kiwi Access Card  
And **ONE** of the documents listed below:  
 Full birth certificate  
 Citizenship certificate

Digital (PDF) versions of bank statements and Government agency documents are acceptable for identity verification.

### Residential address verification

To verify your residential address, select **ONE** of the options below. This document must be no more than six months old.

- Bank or financial institution statement  
 Rates or house insurance document  
 Utility document (e.g. electricity, gas, water, landline telephone or Sky TV)  
 Government agency document (e.g. IRD correspondence)

Digital (PDF) versions of utility and house insurance documents are acceptable if they show you to be responsible for a fixed non-movable service at the address. Digital (PDF) versions of Government agency documents are not acceptable for address verification but can be provided for identity verification. Digital (PDF) versions of bank statements are acceptable for both identity and address verification.

#### For persons under 18 years of age

If none of the identity options are available, please provide:

- Birth certificate **OR**  
 Student card

If none of the residential address options are available, please provide:

- Proof of the parent's or guardian's address where the minor resides.  
 Government agency document (e.g. IRD correspondence)

#### For persons under 18 years of age

If none of the identity options are available, please provide:

- Birth certificate

If none of the residential address options are available, please provide:

- Proof of the parent's or guardian's address where the minor resides.

## 5B | Certification by a Trusted Referee | Individual 1

This section is to be completed if documents are not being verified face-to-face by your financial adviser or an NZ Funds employee.

Name  
I  confirm that

- I have seen the original documents selected above, each of which represents the identity (i.e. name, date of birth and residential address) of the applicant.
- I have signed copies of those documents and attached these to this form.
- The copies of those documents attached are true copies of the original documents of the applicant seen by me today.
- I am a (tick **ONE** of the following):

- Justice of the Peace  
 Notary Public  
 Registered medical doctor  
 Lawyer  
 Chartered Accountant  
 Registered teacher

Signature of Trusted Referee

Day Month Year

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Continued over...

## 5A | Documentary identity verification | Individual 2

### Identity verification

To verify your identity, select **ONE** of the ID combinations and tick which document(s) you are providing below:

#### ID Combination 1

- Passport **OR**
- NZ firearms licence

#### ID Combination 2

- NZ driver licence
- And **ONE** of the documents listed below:
- Credit, debit or eftpos card  
(including name and signature)
- Bank statement
- Government agency document  
(e.g. IRD correspondence)

#### ID Combination 3

- NZ driver licence **OR**
- Kiwi Access Card
- And **ONE** of the documents listed below:
- Full birth certificate
- Citizenship certificate

Digital (PDF) versions of bank statements and Government agency documents are acceptable for identity verification.

### Residential address verification

To verify your residential address, select **ONE** of the options below. This document must be no more than six months old.

- Bank or financial institution statement
- Rates or house insurance document
- Utility document (e.g. electricity, gas, water, landline telephone or Sky TV)
- Government agency document (e.g. IRD correspondence)

Digital (PDF) versions of utility and house insurance documents are acceptable if they show you to be responsible for a fixed non-movable service at the address. Digital (PDF) versions of Government agency documents are not acceptable for address verification but can be provided for identity verification. Digital (PDF) versions of bank statements are acceptable for both identity and address verification.

#### For persons under 18 years of age

If none of the identity options are available, please provide:

- Birth certificate **OR**
- Student card

If none of the residential address options are available, please provide:

- Proof of the parent's or guardian's address where the minor resides.
- Government agency document (e.g. IRD correspondence)

#### For persons under 18 years of age

If none of the identity options are available, please provide:

- Birth certificate

If none of the residential address options are available, please provide:

- Proof of the parent's or guardian's address where the minor resides.

## 5B | Certification by a Trusted Referee | Individual 1

This section is to be completed if documents are not being verified face-to-face by your financial adviser or an NZ Funds employee.

Name

I  confirm that

- I have seen the original documents selected above, each of which represents the identity (i.e. name, date of birth and residential address) of the applicant.
- I have signed copies of those documents and attached these to this form.
- The copies of those documents attached are true copies of the original documents of the applicant seen by me today.
- I am a (tick **ONE** of the following):

- Justice of the Peace
- Notary Public
- Registered medical doctor
- Lawyer
- Chartered Accountant
- Registered teacher

Signature of Trusted Referee

Day Month Year

Continued over...

## 5C | Verification by your financial adviser or an NZ Funds employee\*

This section must be completed. Please select one or both (as appropriate).

### 5C(i) Documents verified face-to-face

- I have met the Individual(s) face-to-face and have seen the original documents selected, each of which represents the identity (i.e. name, date of birth and residential address) of the Individual(s), in accordance with the AML/CFT Act. Copies of the selected documents are attached to this form.

OR

### 5C(ii) Documents certified by Trusted Referee

- I have verified the documents which have been certified by a Trusted Referee and have verified the identity information of the Individual(s) in accordance with the AML/CFT Act. Copies of the certified documents are attached to this form.

### Signature

Name of financial adviser / NZ Funds employee\*

Signature of financial adviser / NZ Funds employee\*

Day                      Month                      Year

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\* To complete verification, the adviser, employee or other authorised person must be listed on NZ Funds' Register of Individuals Authorised to Perform CDD.

## Adviser use only

I confirm I am a Financial Adviser authorised to provide the financial adviser services in relation to this transaction, and I can confirm that I have provided the client in this application form a copy of the PDS.

Adviser name

Adviser FSP number

Adviser company

Adviser code

Adviser signature

Day                      Month                      Year

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## 2 | Entity details

Full name of Entity (if different from account name)

Is the Entity a New Zealand tax resident?

Yes  No

Country of establishment

Is the Entity a tax resident of any other country?

Yes  No If Yes, please provide the country and Tax Identification Number (TIN)\*.

Countries of tax residence

Tax Identification Number (TIN)\*

Reason





\* If a TIN is unavailable, please provide the appropriate reason A, B or C.

A – Country does not issue TINs.

B – I have not been issued with a TIN.

C – Country does not require TIN collection.

Is the Entity a Financial Institution (FI)?

Yes  No

Is the Entity an active non-financial entity?

Yes  No

For more information, see our Compliance Guidance Note available on our website at [www.nzfunds.co.nz](http://www.nzfunds.co.nz).

### Controlling persons

Please list all related parties who are associated with the account, regardless of whether they will be signatories to the investment account.

A Controlling Person can be a natural person or an entity such as a trust or company.

Name	Trustee	Director	Settlor	Appointer/ Protector	Beneficiary**	Shareholder
<input type="text"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<input type="text"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<input type="text"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<input type="text"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<input type="text"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<input type="text"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<input type="text"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<input type="text"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<input type="text"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Trustees or Directors or any person who is able to operate this investment account - **please continue to Section 3.**

All others - **please complete Section 5.**

\*\* If the trust is a discretionary trust, beneficiary information need not be provided until a beneficiary receives a distribution from the trust.

See our Compliance Guidance Note available on our website at [www.nzfunds.co.nz](http://www.nzfunds.co.nz) for more information.

Continued over...

### 3 | Controlling person's details | Controlling person 1

#### Name

Title	First name	Middle name(s)	Surname
<input type="text"/>			

#### Date of birth

Day	Month	Year	Country of birth	Occupation
<input type="text"/>				

#### Residential address (not PO box)

Same as account details.

Street		
<input type="text"/>		
Suburb	Town / City	Postcode
<input type="text"/>	<input type="text"/>	<input type="text"/>

#### Email

Same as account details.

<input type="text"/>
<input type="text"/>

#### Phone

Same as account details.

Mobile	Home	Business
<input type="text"/>	<input type="text"/>	<input type="text"/>

#### Are you a New Zealand tax resident?

Yes  No If Yes, please provide your IRD number.

IRD number
<input type="text"/>

#### Are you a US Person?

A US Person includes a US tax resident, citizen or permanent resident/Green Card holder.

Yes  No If Yes, please provide your US Tax Identification Number.

US Tax Identification Number
<input type="text"/>

#### Are you a tax resident of any other country? (i.e. not including New Zealand or the United States)

Yes  No If Yes, please provide the country and Tax Identification Number (TIN)\*.

Countries of tax residence	Tax Identification Number (TIN)*	Reason
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

\* If a TIN is unavailable, please provide the appropriate reason A, B or C.

A – Country does not issue TINs.

B – I have not been issued with a TIN.

C – Country does not require TIN collection.

Continued over...

### 3 | Controlling person's details | Controlling person 2

#### Name

Title	First name	Middle name(s)	Surname
<input type="text"/>			

#### Date of birth

Day	Month	Year	Country of birth	Occupation
<input type="text"/>				

#### Residential address (not PO box)

Same as account details.

Street		
<input type="text"/>		
Suburb	Town/City	Postcode
<input type="text"/>	<input type="text"/>	<input type="text"/>

#### Email

Same as account details.

<input type="text"/>
<input type="text"/>

#### Phone

Same as account details.

Mobile	Home	Business
<input type="text"/>	<input type="text"/>	<input type="text"/>

#### Are you a New Zealand tax resident?

Yes  No If Yes, please provide your IRD number.

IRD number
<input type="text"/>

#### Are you a US Person?

A US Person includes a US tax resident, citizen or permanent resident/Green Card holder.

Yes  No If Yes, please provide your US Tax Identification Number.

US Tax Identification Number
<input type="text"/>

#### Are you a tax resident of any other country? (i.e. not including New Zealand or the United States)

Yes  No If Yes, please provide the country and Tax Identification Number (TIN)\*.

Countries of tax residence	Tax Identification Number (TIN)*	Reason
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

\* If a TIN is unavailable, please provide the appropriate reason A, B or C.

A - Country does not issue TINs.

B - I have not been issued with a TIN.

C - Country does not require TIN collection.

Continued over...





## 4 | Investment options

### Lump sum investment

Please make a direct credit to the NZ Funds Applications Account 03-0104-0122344-00 and include your account name in the payment reference details.

Lump sum investments must be paid in from the bank account nominated in the **Bank account details** section above.

NZ Funds Income Generator

A seven day notice period applies. Withdrawals are permitted only after expiry of the notice period.

### Regular contributions

You can make regular contributions by automatic payment. An automatic payment can be set up through your Internet Banking.

Choose **NZ Funds Applications** as the Bill Payee:

Include your account number in the reference field (this will be emailed to you once the account is set up)

Regular contributions must be paid in from the bank account nominated in the **Bank account details** section above.

A seven day notice period applies. Withdrawals are permitted only after expiry of the notice period.

### Distribution options

The portfolio intends to make quarterly distributions. You can elect to receive contributions as cash or automatically reinvested into your portfolio.

Choose your distribution options:

- Distributions reinvested - We would like distributions reinvested.
- Distributions paid out - We would like distributions to be paid out. Distributions will be paid to the nominated bank account on this application form.

Continued over...

## 5 | Other controlling persons

Those controlling persons who have completed Section 3, or existing clients, do not have to complete this section.

All controlling persons who have not completed Section 3 must complete below. Controlling persons are those who exercise control over the entity, including; shareholders with more than 25% ownership; settlors; protectors; beneficiaries or any other natural person who can exercise control regardless of whether they exercise that control.

### Other controlling person 1

#### Name

Title	First name	Middle name(s)	Surname

#### Date of birth

Day	Month	Year

#### Residential address (not PO box)

#### Are you a New Zealand tax resident?

Yes  No If Yes, please provide your IRD number.

#### IRD number

#### Are you a US Person?

A US Person includes a US tax resident, citizen or permanent resident / Green Card holder.

Yes  No If Yes, please provide your US Tax Identification Number.

#### US Tax Identification Number

#### Are you a tax resident of any other country? (i.e. not including New Zealand or the United States)

Yes  No If Yes, please provide the country and Tax Identification Number (TIN)\*.

#### Countries of tax residence

#### Tax Identification Number (TIN)\*

#### Reason





\* If a TIN is unavailable, please provide the appropriate reason A, B or C.

A - Country does not issue TINs.

B - I have not been issued with a TIN.

C - Country does not require TIN collection.

### Other controlling person 2

#### Name

Title	First name	Middle name(s)	Surname

#### Date of birth

Day	Month	Year

#### Residential address (not PO box)

#### Are you a New Zealand tax resident?

Yes  No If Yes, please provide your IRD number.

#### IRD number

#### Are you a US Person?

A US Person includes a US tax resident, citizen or permanent resident / Green Card holder.

Yes  No If Yes, please provide your US Tax Identification Number.

#### US Tax Identification Number

#### Are you a tax resident of any other country? (i.e. not including New Zealand or the United States)

Yes  No If Yes, please provide the country and Tax Identification Number (TIN)\*.

#### Countries of tax residence

#### Tax Identification Number (TIN)\*

#### Reason





\* If a TIN is unavailable, please provide the appropriate reason A, B or C.

A - Country does not issue TINs.

B - I have not been issued with a TIN.

C - Country does not require TIN collection.

Continued over...

### Other controlling person 3

#### Name

Title	First name	Middle name(s)	Surname
<input type="text"/>			

#### Date of birth

Day	Month	Year
<input type="text"/>	<input type="text"/>	<input type="text"/>

#### Residential address (not PO box)

#### Are you a New Zealand tax resident?

Yes  No If Yes, please provide your IRD number.

#### IRD number

#### Are you a US Person?

A US Person includes a US tax resident, citizen or permanent resident / Green Card holder.

Yes  No If Yes, please provide your US Tax Identification Number.

#### US Tax Identification Number

#### Are you a tax resident of any other country? (i.e. not including New Zealand or the United States)

Yes  No If Yes, please provide the country and Tax Identification Number (TIN)\*.

#### Countries of tax residence

#### Tax Identification Number (TIN)\*

#### Reason

\* If a TIN is unavailable, please provide the appropriate reason A, B or C.

A – Country does not issue TINs.

B – I have not been issued with a TIN.

C – Country does not require TIN collection.

### Other controlling person 4

#### Name

Title	First name	Middle name(s)	Surname
<input type="text"/>			

#### Date of birth

Day	Month	Year
<input type="text"/>	<input type="text"/>	<input type="text"/>

#### Residential address (not PO box)

#### Are you a New Zealand tax resident?

Yes  No If Yes, please provide your IRD number.

#### IRD number

#### Are you a US Person?

A US Person includes a US tax resident, citizen or permanent resident / Green Card holder.

Yes  No If Yes, please provide your US Tax Identification Number.

#### US Tax Identification Number

#### Are you a tax resident of any other country? (i.e. not including New Zealand or the United States)

Yes  No If Yes, please provide the country and Tax Identification Number (TIN)\*.

#### Countries of tax residence

#### Tax Identification Number (TIN)\*

#### Reason

\* If a TIN is unavailable, please provide the appropriate reason A, B or C.

A – Country does not issue TINs.

B – I have not been issued with a TIN.

C – Country does not require TIN collection.

Continued over...

## 6 | Terms and Conditions

By signing this Application Form, we confirm that:

- All details provided in this Application Form are correct.
- We have received, read and understood the Product Disclosure Statement (PDS) dated 3 December 2021 which accompanies this Application Form. We understand that additional information about NZ Funds' Income Generator is available on the online register entry at [disclose-register.companiesoffice.govt.nz](https://disclose-register.companiesoffice.govt.nz).
- We agree to be bound by the terms and conditions contained in the PDS, the Trust Deeds (as amended from time to time) and the online register entry.
- We understand that personal information provided in this Application Form and any personal information provided by us in the future will be used by NZ Funds and the Supervisor, and any related companies of these parties, together with our financial adviser, for administering the investment, including satisfying the requirements of the AML/CFT Act (this may include using our personal information for the purpose of electronic identity verification using various third party databases including the Department of Internal Affairs database). We understand our personal information may also be shared with relevant authorities including Inland Revenue. NZ Funds may also use our personal information to provide us with information about other products and services. We acknowledge that we have the right to access and correct this information.
- We authorise NZ Funds to disclose personal information to the Financial Markets Authority as may be required from time to time under the Financial Markets Conduct Act 2013 or any other law.
- We consent to NZ Funds communicating with us, and providing us with information, by electronic means (i.e. by email, as provided by us and/or by providing us with a URL link, or with information through an electronic facility). These communications may include, but not be limited to, general correspondence, investment updates, and legally required communications or documents (including transaction confirmations, annual reports and annual tax statements).
- We confirm that we have downloaded the NZ Funds App, or have registered for myNZFunds, and we consent to receiving transaction information relating to our investment in NZ Funds Income Generator via the NZ Funds App or my NZFunds.
- We agree to comply with the Common Reporting Standards (CRS)\* regulations which include:
  - Agreeing to inform NZ Funds of any distributions made to beneficiaries that are not New Zealand tax residents. This includes distributions from holdings that sit outside NZ Funds' Income Generator.
  - Agreeing to inform NZ Funds of any changes of tax residency status that apply to account holders and any controlling persons, within 30 days of the change.\*\*
- NZ Funds, as Manager of NZ Funds' Income Generator, has the power under the Trust Deeds to redeem any units, if it believes compliance of applicable laws (such as AML/CFT, FATCA and CRS) has not been met. NZ Funds does not need to notify the affected unit holder before invoking this power. If NZ Funds chooses to redeem our units, the funds will be returned to the nominated bank account in the same name as NZ Funds' Income Generator account. Alternatively, the funds will be held in a non-interest bearing bank account.
- We confirm the selected PIR for this account is correct.
- **We understand the value of our investment in the Portfolio can rise and fall depending on market conditions and other circumstances prevailing at the time, and that there is no promise or guarantee made by any person as to the performance of any investment or the return of any funds invested.**

\* For further information regarding AML/CFT, FATCA and CRS please refer to our Compliance Guidance Note available on our website at [www.nzfunds.co.nz](http://www.nzfunds.co.nz)

\*\* Controlling persons for CRS refers to trustees, settlors, protectors, beneficiaries, directors and shareholders.

### Client signature(s)

To be signed by controlling persons who have completed Section 3.

#### Controlling person 1

Day	Month	Year
<input type="text"/>	<input type="text"/>	<input type="text"/>

#### Controlling person 2

Day	Month	Year
<input type="text"/>	<input type="text"/>	<input type="text"/>

#### Controlling person 3

Day	Month	Year
<input type="text"/>	<input type="text"/>	<input type="text"/>

#### Controlling person 4

Day	Month	Year
<input type="text"/>	<input type="text"/>	<input type="text"/>

### Important

- The AML/CFT Act 2009 requires verification of identity of the applicant. Please ensure the relevant AML forms are completed in full, if applicable.

Continued over...

## Adviser use only

I confirm I am a Financial Adviser authorised to provide the financial adviser services in relation to this transaction, and I can confirm that I have provided the client in this application form a copy of the PDS.

Adviser name

Adviser FSP number

Adviser company

Adviser code

Adviser signature

Day

Month

Year

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# Existing Application Form

NZ Funds Income Generator Product Disclosure Statement dated 3 December 2021.

Use this form if you are adding funds to your exiting account with NZ Funds.

Return to New Zealand Funds Management Limited, Private Bag 92226, Auckland 1142, or by email to [registry@nzfunds.co.nz](mailto:registry@nzfunds.co.nz).

## 1 | Account details

Account name

Existing client

Yes

## 2 | Investment options

### Lump sum investment

Please make a direct credit to the NZ Funds Applications Account 03-0104-0122344-00 and include your NZ Funds client number and your account name in the payment reference details.

Lump sum investments must be paid in from the bank account nominated in the **Bank account details** section above.

NZ Funds Income Generator

A seven day notice period applies. Withdrawals are permitted only after expiry of the notice period.

Continued over...

### 3 | Terms and Conditions

By signing this Application Form, I/we confirm that:

- All details provided in this Application Form are correct.
- I/we have received, read and understood the Product Disclosure Statement (PDS) dated 3 December 2021 to which this Application Form was attached. I/we understand that additional information about the NZ Funds Income Generator is available on the online register entry at [disclose-register.companiesoffice.govt.nz](https://disclose-register.companiesoffice.govt.nz).
- I/we agree to be bound by the terms and conditions contained in the PDS (including this Application Form), the Trust Deeds (as amended from time to time) and the online register entry.
- I/we understand that personal information provided in this Application Form and any personal information provided by me/us in the future will be used by NZ Funds and the Supervisor, and any related companies of these parties, together with my/our financial adviser, for administering the investment, including satisfying the requirements of the AML/CFT Act (this may include using my/our personal information for the purpose of electronic identity verification using various third party databases including the Department of Internal Affairs database). I understand my personal information may also be shared with relevant authorities including Inland Revenue. NZ Funds may also use my/our personal information to provide me/us with information about other products and services. I/we acknowledge that I/we have the right to access and correct this information.
- I/we authorise NZ Funds to disclose personal information to the Financial Markets Authority as may be required from time to time under the Financial Markets Conduct Act 2013 or any other law.
- I/we agree to inform NZ Funds of any changes of tax residency status that apply to account holders within 30 days of the change.
- NZ Funds, as Manager of the NZ Funds Income Generator, has the power under the Trust Deeds to redeem any units, if it believes compliance of applicable laws (such as AML/CFT) has not been met. NZ Funds does not need to notify the affected unit holder before invoking this power. If NZ Funds chooses to redeem my/our units, the funds will be returned to the nominated bank account (or cheque) in the same name as the NZ Funds Income Generator account. Alternatively, the funds will be held in a non-interest bearing bank account.
- I/we consent to NZ Funds communicating with me/us, and providing me/us with information, by electronic means (i.e. by email, as provided by me/us and/or by providing me/us with a URL link, or with information through an electronic facility). These communications may include, but not be limited to, general correspondence, investment updates, and legally required communications or documents (including transaction confirmations, annual reports and annual tax statements).
- I/we consent to receiving transaction confirmations relating to my/our investment(s) in the NZ Funds Income Generator on a six monthly basis.
- If two or more individuals have completed this Application Form and separate ownership is not defined, NZ Funds and the Supervisor are entitled to assume the investment is jointly held by those individuals.
- I/we confirm the selected PIR for this account is correct.
- **I/we understand the value of my/our investment in a Portfolio can rise and fall depending on market conditions and other circumstances prevailing at the time, and that there is no promise or guarantee made by any person as to the performance of any investment or the return of any funds invested.**

#### Client signature(s)

Individual 1

Day                  Month                  Year

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Individual 2

Day                  Month                  Year

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### Adviser use only

**I confirm that I have provided the client with a copy of the Product Disclosure Statement dated 3 December 2021.**

I confirm I am a financial adviser authorised to provide financial advice services in relation to this transaction, and that any upfront adviser fee and ongoing advice fee is:

- Authorised for deduction under an agreement with the Client; and
- The amount of the fee or fees does not exceed the amount(s) specified in the agreement with the Client.

Adviser name

Adviser FSP number

Adviser company

Adviser code

Adviser signature

Day                  Month                  Year

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**Income Generator** is designed to provide investors with **regular income** and the potential for **capital gains** over time.

The fund is primarily invested in **premium New Zealand and Australian dividend-paying shares**. It passes those dividends on to you.

The risk of fluctuating share prices is managed through the use of tools such as **put and call options** which are designed to **reduce the fund's volatility**.

The overall result is a portfolio which is designed with the goal of providing investors with **higher returns than interest rates** but **with less volatility than the share market**.

The fund is a **tax effective Portfolio Investment Entity (PIE)** with a maximum tax rate of 28%.

There is **no lock-in or termination fee** so you can access your money when you want to.

NZ Funds recommends you **speak to your** financial advice provider about whether Income Generator is right for you.



**New Zealand Funds  
Management Limited**

Level 16, 21 Queen Street  
Private Bag 92163, Auckland 1142  
New Zealand

T. 09 377 2277  
E. [info@nzfunds.co.nz](mailto:info@nzfunds.co.nz)  
W. [www.nzfunds.co.nz](http://www.nzfunds.co.nz)

**Auckland  
Wellington  
Christchurch  
Timaru  
Dunedin  
Invercargill**