Fisher Funds LifeSaver Plan

Other Material Information

Issued by Fisher Funds Management Limited
8 November 2023

This document provides material information about the Fisher Funds LifeSaver Plan (LifeSaver or the Scheme) to help you make an informed decision about investing in LifeSaver. It is an important document and it supports the LifeSaver Product Disclosure Statement (PDS) and Statement of Investment Policy and Objectives (SIPO), which can be found on the Disclose Register or on our website fisherfunds.co.nz/lifesaver.

In this document the word 'current' or 'currently' means as at the date of this document and 'you' or 'your' refers to persons who apply to become, or who are, members in the Scheme.

All capitalised terms have the meaning given them in the LifeSaver Governing Document.

Unless you are already a member, LifeSaver is a workplace savings scheme made available through your participating employer. You can join the Scheme if your employer has agreed to participate.

Description of the Scheme and the funds

LifeSaver, offered by Fisher Funds Management Limited (Fisher Funds, we, us, or our), is a workplace savings scheme established on 17 May 1994 and it is registered as a managed investment scheme under the Financial Markets Conduct Act 2013 (FMCA). The Scheme gives you a choice of the following seven funds (each a fund and together funds) to invest in:

- the LifeSaver Preservation Fund (Preservation Fund)
- the LifeSaver New Zealand Fixed Income Fund (New Zealand Fixed Income Fund)
- the LifeSaver Conservative Fund (Conservative Fund)
- the LifeSaver Balanced Fund (Balanced Fund)
- the LifeSaver Growth Fund (Growth Fund)
- the LifeSaver Equity Fund (Equity Fund)
- the LifeSaver Trans Tasman Equity Fund (Trans Tasman Equity Fund)

LifeSaver is a trust governed by a Governing Document between Fisher Funds and Trustees Executors Limited (the Supervisor). The Governing Document sets out how the Scheme must be administered and it can be amended by the Supervisor and us.

How do funds work?

The money you invest buys units in your choice of one or more funds based on the price per unit called the unit price. Therefore, each unit you own represents a share of a fund. Your money will be pooled with other investors' money and invested by us. The unit price is calculated each business day so that you'll know what your share of a fund is worth.

We invest only in assets described in the SIPO. The value of these assets can change daily, and this will affect the price of the units in a fund. A price fluctuation however will not change the number of units you hold. For example, if the value of the assets goes up, your units in a fund will be worth more and if the value of the assets falls then the units will be worth less.

Each unit in a fund has the same value as every other unit in that fund. Each unit represents equal interests in, and rights to, the assets of the fund. A fund may issue any number of units.

While you buy units in a fund, the units you hold do not give you any interest in any particular asset of that fund. This means that you cannot for example, ask us to transfer to you any underlying shares or property.

We, as the Manager of the Scheme, don't hold your money or own a fund's assets. A custodian, a company independent of us, holds all a fund's assets on behalf of investors. All monies which we (or an agent) receive for investment in a fund are paid into a separate bank account maintained by the custodian.

We may accept or reject in whole or in part any application to invest money in the Scheme.

Assets — how they're valued

The assets held by a fund are usually valued each business day other than the first two business days in April (when we calculate PIE tax for the year ended 31 March). We use an industry standard valuation method based on the last sale price of each listed asset (except where the last sale price falls outside the bid-ask spread, in which case the bid price is used) as at the close of business on each valuation day. If a fund is invested in underlying assets in offshore markets this may cause a delay in pricing of several days. This is because we must wait for the relevant markets to close before we can obtain the last sale price. Public holidays can also delay price availability. The unit price is calculated by dividing the net value of a fund's assets by the number of units in that fund.

Our current Unit Pricing and Valuation Policy, available at fisherfunds.co.nz/resources, sets out guidelines for valuing assets that are illiquid or infrequently traded, and for correcting pricing errors.

Market indices

Market indices are used to measure the change in value of specific groups of assets in recognised investment markets e.g. the New Zealand share market. An increase in the value of these assets will lead to a corresponding increase in the value of the market index.

The market index return for a fund refers to the percentage change in the appropriate market index over a given period. As an example, the current market index (sometimes referred to as the benchmark) used for New Zealand shares is the S&P/NZX50 Gross Index including imputation credits. We use a market index return to measure the relative performance of a fund compared to the market performance of the assets it invests in.

Where a fund invests in only one type of asset, or where the combination of its assets predominantly reflects the characteristics of one asset class, the market index return for that fund may be the return of one market index. This is the case for the Preservation Fund where currently the market index used is the S&P/NZX 90-day Bank Bill Index.

Where a fund invests in more than one asset type (e.g. shares and fixed interest) several market indices are used. The market index return is therefore a combination or composite return and is calculated using the weighted average of the market indices. In other words, if a fund's investment strategy is to invest in four different asset classes equally, the fund's market index return will be 25% of the return of each market index. The SIPO outlines which market indices are used for each fund.

Our actual investment portfolios do not necessarily try to mirror market indices and your returns could differ materially from them. This is because we actively choose securities and determine their weighting in the portfolio.

Who is involved?

Manager

Fisher Funds is the Manager of the Scheme. We are responsible for issuing and administering Fisher Funds LifeSaver Plan and managing the assets in the funds. We may delegate some of these duties to third parties. We may use third party managers to manage assets for us either directly or through underlying funds.

Appointment and removal of the Manager

The Scheme must have an appropriately licensed manager who is not an Associated Person[1] of the Supervisor.

The Supervisor may remove us as Manager if they think it's in the best interest of investors and may appoint a new manager, however if we retire as Manager we may appoint a new manager. Our removal or retirement will not take effect until a new manager has been appointed.

Supervisor

The Supervisor of the Scheme is Trustees Executors Limited. The Supervisor's ultimate holding company is Sterling Grace (NZ) Limited.

Details of the Supervisor's directors, which may change from time to time without notice, are available at companiesoffice.govt.nz/companies.

The Supervisor is licensed under the Financial Markets Supervisors Act 2011 to act as a supervisor for a range of financial products, including Fisher Funds LifeSaver Plan. Further information about the Supervisor's licence is available on the Financial Markets Authority website (fma.govt.nz) and on the Financial Service Providers Register website (companiesoffice.govt.nz/fsp).

Custodian

The Supervisor, after having consulted us, may appoint one or more custodians to look after the assets of the Scheme. The Custodian of the funds is Trustees Executors Limited. Assets may be registered in the name of TEA Custodians Limited or in the name of appointed international sub-custodians.

The custodian or sub-custodian may change, however we will ensure any new custodian has the appropriate skills and experience prior to the Supervisor ultimately appointing them.

Supervisor and Manager indemnity

The Supervisor and Fisher Funds are each indemnified out of each Employer Scheme or fund against all liabilities (including tax) and expenses incurred by us and the Supervisor in the exercise or attempted exercise of the trusts, powers and discretions vested in us or the Supervisor pursuant to the Governing Document in relation to the Employer Scheme, or fund, as applicable, in respect of any matter or thing done or omitted to be done in any way relating to that Employer Scheme or fund. The indemnity also extends to any payments made to any person whom we or the Supervisor (as applicable) bona fide believes to be entitled thereto although it may be subsequently found that the person was not in fact so entitled.

This indemnity does not cover losses or damages arising from us failing to meet the standard of care required under the Governing Document.

You also indemnify the Supervisor and us for any shortfall if your account balances are insufficient to meet any liability for tax payable by the Scheme, us or the Supervisor attributed to you.

Winding up and insolvency

LifeSaver may be wound up:

- if we so decide;
- if a special resolution of members is passed to wind up the Scheme;
- on any date stated in the Governing Document; or
- if we are required to do so by law, or by order of the FMA.

In the event that the Scheme or any of the funds become insolvent, there's no further obligation for you to pay any money to any person.

If the Scheme is put into liquidation or wound up, claims by any creditor (e.g. banks) will rank ahead of you. After payment of all creditors, you'll rank equally with all other investors in the fund.

In addition to the power to wind up LifeSaver, we have the power to close LifeSaver to further contributions by giving 90 days' written notice to the Supervisor. Each Employer and each member must be notified promptly if either we or the Supervisor resolve to close LifeSaver. After the closing date, no further contributions will be accepted, you will be entitled to a Benefit in accordance with the terms of the Governing Document, and LifeSaver will be wound up and terminated when the last member has received all Benefits payable to them from LifeSaver.

We may also terminate a fund at any time. If this occurs, your units in the fund are withdrawn and reinvested in a new fund in accordance with your investment direction. If you do not make a new investment direction, we may invest the funds in a fund chosen by us until an investment direction is received.

Fees and expenses

You will be charged fees and expenses for investing in the Scheme, and these are detailed in the employer supplement and summarised below.

Manager's fees

Fees, as shown below, are deducted from the Gross Asset Value (GAV) of each fund and payable monthly in arrears. From this fee we pay the costs of investment management and the costs of registry, custody and unit pricing services.

Fund	Management fee (per annum)
Preservation Fund	0.48%
New Zealand Fixed Income Fund	0.63%
Conservative Fund	0.85%
Balanced Fund	0.95%
Growth Fund	1.05%
Equity Fund	1.10%
Trans Tasman Equity Fund	0.90%

We may, in consultation with the Supervisor increase our fees or commence charging fees which are not currently being charged provided that any such fee is allowed under the Governing Document.

1. Has the meaning given to it in the Financial Markets Conduct Act 2013.

Administration fees

We are entitled to a fee for administration services as follows:

- up to $15 per member, per month, per Employer Scheme membership of 1 to 19;
- up to $12 per member, per month, per Employer Scheme membership of 20 to 49;
- up to $9 per member, per month, per Employer Scheme membership of 50 to 99;
- up to $6 per member, per month, per Employer Scheme membership of 100 to 149;
- by negotiation, per Employer Scheme membership in excess of 150; or
- $2,050 per annum, whichever is the greater.

This fee is paid from your Member Account, Employer Account or the Reserve Fund, as set out in your employer supplement. It will be noted in the employer supplement if your Employer agrees to pay this fee on your behalf. We use some of this fee to pay Trustees Executors Limited in their role as registry and administration services provider.

Supervisor's fees

Trustees Executors Limited, acting in its role as Supervisor, is entitled to the following fees:

- an annual fee of $3,500 spread equally across members of LifeSaver whose Employer joined the Scheme prior to 1 December 2005; and
- a fee of 0.03% per annum of the GAV up to $50 million and 0.025% per annum thereafter based on the GAV in respect of all LifeSaver members whose Participating Employers joined the Scheme on or after 1 December 2005. This fee is charged pro rata based on the value of your LifeSaver account.

The fee is paid from one or more accounts (your Member Account, Employer Account, or the Reserve Fund) as set out in the employer supplement. If your Employer agrees to pay these fees on your behalf it will be noted in the employer supplement.

The Supervisor may increase any fees annually, but any increase may not exceed the percentage increase in the Consumer Price Index (or other equivalent measure) for the immediately preceding calendar year.

Custody and unit pricing fees

Trustees Executors Limited, through its Portfolio Services division, is entitled to receive fees for custody and unit pricing services. These fees are paid by us from the management fee we receive.

Manager and Supervisor expenses

Fisher Funds and the Supervisor are entitled to reimbursement for all costs, expenses, fees, taxes and other liabilities incurred in carrying out our respective obligations in respect of the Scheme. The amount of these expenses cannot be determined until they are incurred and will vary from time to time. The total expenses incurred will be reported in the annual Scheme financial statements.

Expenses can be deducted from the funds, or from one or more Accounts (e.g your Member Account or Employer Account) or the Reserve Fund as set out in the employer supplement. If your Employer agrees to pay these fees on your behalf it will be noted in the employer supplement.

Financial adviser service fee

We may deduct a financial adviser service fee of up to 0.8% per annum of your Account, payable from your Member Account, Employer Account, or from the Reserve Fund to cover the cost of commission paid to the financial adviser for your Employer Scheme. The amount is set out in your employer supplement which will also state if your Employer agrees to pay these fees on your behalf.

Investment in other funds

In addition to directly acquired assets, each of the funds currently invests in wholesale funds that are also managed by Fisher Funds. The funds in the Scheme generally do not incur a management fee on investments in these wholesale funds, or in the instance that a fee is incurred, Fisher Funds fully rebates the management fee.

The funds and the underlying funds they invest into may also invest in other funds managed by third parties not associated with us. Those funds may charge fees, including entry fees, exit fees, performance-based fees and management fees, and incur expenses.

The amount of the fees and expenses of any underlying funds is included in the annual fund charges in the quarterly fund update for each fund, available at fisherfunds.co.nz/fund-updates.

Insured Benefits

If your Employer has established an insurance arrangement, the premiums or cost of Insured Benefits for you may be deducted from your Member Account, Employer Account, the Reserve Fund or paid separately by the Employer as specified in your employer supplement. This amount is then paid to the Insurer.

GST

All fees and expenses exclude goods and services tax (GST) unless otherwise stated and GST may be added where required.

Buy/sell spreads

Although under normal trading and market conditions we do not apply buy and sell spreads, we may choose to do so - for example, during a period of market volatility - with the aim that transaction costs associated with members buying or selling units, or switching between funds, are met by those members and not the other members in those funds.

There are transaction costs when the underlying assets of a fund are bought and sold. These impact the fund's unit prices. To reflect the likely transaction costs of selling underlying assets we can apply a sell spread to members' withdrawals (including switches) from a fund. Similarly, a buy spread can be applied to members' investments (including switches) into a fund to reflect the likely transaction costs of buying underlying assets. Any buy or sell spread is retained by the fund to offset transaction costs and is not a fee paid to us.

You can find out if any buy or sell spreads have been applied at fisherfunds.co.nz/spread-pricing.

What are the risks?

There's always some risk when you invest and the level of risk varies depending on what you invest in. The level of risk is usually related to the possible return you might achieve from your investment. For example, investing in shares is likely to give you a higher return, however shares come with more risk than say fixed interest investments.

Investments in the Scheme are not guaranteed by the Crown, Fisher Funds, the Supervisor, or any other person or company and nor does any party promise the repayment of, or returns on, investments in the Scheme. The value of your investment can go up but it can also go down and this positive and negative movement is called volatility. You may not recover the full amount you've invested or receive any returns on your investment.

As a general rule, cash and fixed interest investments (called income assets) tend to be less volatile than commercial property, shares and alternative investments like derivatives or foreign exchange (called growth assets). Therefore the greater the proportion of growth assets in a fund, the greater the potential to experience negative returns over the period of your investment. However, higher risk investments also have the potential for higher returns.

Fisher Funds oversee this risk on your behalf. Below we outline the risks associated with investing in the Scheme and how we manage those risks. It is important to note that no mitigation strategy can eliminate all risks associated with investment.

Type of risk	Description	How we manage it
Investment returns risk	Different types of investments have different risks and perform differently at different times. For example, the return on growth assets tends to go up and down more than the returns from income assets. This means short term fluctuations in the value of a fund are common, especially for funds that invest mostly in growth assets like shares.	Our minimum quality criteria must be met before any investment is included in a fund's portfolio. We develop, in consultation with the Supervisor, a SIPO which describes the allowed investments, exposure levels and investment criteria for the investments held in the funds. We regularly monitor the holdings of the funds to ensure they remain within the criteria specified in the SIPO. We may visit companies or seek additional information in respect of investments held to be satisfied of their ongoing suitability.
Market risk	Investment market performance can be affected by economic conditions such as investor opinion, inflation, employment rates and interest rates (including negative interest rates). Political events, and environmental and technological issues also impact investment market performance.	We keep our knowledge of various market factors up to date through a review of economic data both locally and internationally, as well as conducting our own research. This information is used when making investment management decisions.
Currency risk	Investments in foreign assets are bought and sold with foreign currency, and the funds may hold foreign currencies directly. The value of the foreign assets and currency can change (up or down) when there are movements in the exchange rate between the New Zealand dollar and the foreign currency.	Where we can, we monitor the currency positions and may adjust the hedging levels of the currency exposure attributable to the holdings of the overseas assets.
Investment manager risk	How we choose to allocate each fund's investments (and the investment decisions made by the managers of any underlying funds in which we invest) will affect that fund's returns. In particular, our investment style may result in our returns differing from any market index and from competing investments.	We maintain an up to date knowledge of various market factors through a review of economic data both locally and internationally while also conducting our own research. This information is then taken into consideration when making investment management decisions. We aim to complete a review of the strategic asset allocation for the funds every two years to ensure we take into account updated capital market assumptions.
Credit risk	The issuer of a security, an institution that we deposit funds with, or a third party that provides a guarantee for either may not honour their obligations, fail to complete transactions, or may become insolvent. If this occurs you may not receive the full amount of your investment in that fund.	We analyse the creditworthiness of the issuers we purchase securities from, institutions we choose to deposit funds with, and third parties that provide a guarantee for either.

Type of risk	Description	How we manage it
Counterparty risk	A party to an investment contract may not honour their obligations, or fail to complete a transaction, or may become insolvent. If this occurs in any of the investment contracts held by a fund, you may not receive the full amount of your investment in that fund.	Fisher Funds deals with reputable brokers and trading platforms. For physical securities our preference is to pay on delivery of the financial instrument. For derivatives and OTC contracts we ask counterparties to post collateral against unrealised losses to minimise potential losses in the event of default. Not all counterparties post collateral.
Interest rate risk	Fixed interest investments may become more or less valuable depending on changes in interest rates. If market interest rates rise, the existing fixed rate investments become less valuable because new fixed interest investments will pay the current, higher rate of interest, and vice versa when market interest rates fall. Interest rate risk is more applicable to funds that invest mostly in income assets such as fixed interest securities.	Where possible, we consider the expected impact of economic factors on interest rate sensitivity (i.e. the impact a change in interest rates will have) when selecting investments for the funds.
Liquidity risk	Low liquidity can affect the ability of the fund to make payments when needed (such as meeting withdrawal requests) and the fund may receive a lesser amount than expected if the assets have to be sold quickly and there are few buyers.	We operate a portfolio liquidity risk management framework to help ensure that portfolios are well-positioned to withstand stress scenarios and to allow portfolios to potentially take advantage of opportunities provided by market dislocations.
Unfulfilled investment objectives	There is no guarantee that the funds will achieve the investment objectives set out in the SIPO and these objectives should not be taken as a guarantee or assurance of returns. A failure to meet investment objectives would affect the value of the relevant fund.	We regularly monitor the returns of the assets held by the funds. We may alter the mix of investments held if our analysis indicates that this could better achieve the funds' objectives. Any amendment to the SIPO objectives must be made in consultation with the Supervisor to ensure members' best interests are considered.
Inflation	Inflation is a term used to describe the rise of average prices through the economy. Simply, inflation refers to the increased cost of living. There is a risk that if you receive returns from your investment in the Scheme that are less than the rate of inflation, you may not be able to buy as many goods and services with your money as when you initially invested in the Scheme. Inflation may impact on real returns.	Some investments may perform better than others during periods of inflation and we consider this when we design portfolios.
Derivative risk	A derivative is typically a financial contract such as futures contracts or swaps, whose value depends on the future value of its underlying assets such as shares, bonds, currency or cash. Derivatives may be used as an alternative to investing in a physical asset, or as a risk management tool, providing a similar exposure to the investment without buying or selling the asset underlying the derivative. Any risks which can affect the physical asset can also affect the derivative and therefore their use may not remove all exposure they are intended to manage.	The funds and the underlying funds may use derivatives to gain exposure to assets that are consistent with the SIPO or to manage currency exposures.
Operational or systems failure	Risk may arise from a process failure, fraud, litigation, disruption to business by reason of an industrial dispute, system failure, natural disaster or other unforeseen event affecting the funds (or the markets generally).	Business continuity plans are in place for periods of business disruption caused by unforeseen circumstances.
Key personnel	The success of each fund depends to a significant extent upon us, or any external managers, continuing to employ a number of key personnel. Profiles of the Fisher Funds investment team can be found at fisherfunds.co.nz/about/investment-team.	To minimise turnover, Fisher Funds fosters an environment which attracts and retains key personnel, while at the same time operating in a collaborative manner therefore minimising key personnel risk.

Type of risk	Description	How we manage it
Legislative and regulatory	Returns may be affected by any adverse legislative or regulatory changes in both New Zealand and offshore, which could have an impact on any investment or the markets in which they operate. Changes to legislation could have a significant impact on the Scheme and your investments in the funds.	We keep abreast of proposed legislative and regulatory changes that may influence our investments, business or the markets in which we operate. When necessary we make submissions to ensure our clients and our business interests are represented.
Taxation	Changes in taxation rates or tax rules in New Zealand or overseas may affect the value of the assets of the funds and/or your return.	We consider taxation implications when selecting investments. When changes in taxation are proposed, we review them to understand any impact on existing investments, fees and/or your return.
PIE status	Should the Scheme fail to satisfy the PIE eligibility criteria necessary to retain PIE status, this would result in the funds being taxed at 28%, rather than the individual Prescribed Investor Rate (PIR) of investors. It may also result in the funds being taxed on investment gains.	We monitor factors influencing the Scheme's PIE status on a regular basis and have processes in place to minimise potential breaches of PIE eligibility criteria, which may include adjusting a member's unit holding to maintain PIE status.
Borrowing	Where permitted by the SIPO we may borrow on behalf of the funds and this may include borrowing against the assets of a fund. This may exaggerate the effect of any increase or decrease in the value of the assets of the fund and increase the risk of insolvency. Under our current investment strategies this risk is predominantly relevant to funds that invest in unlisted property assets. The funds may invest in other funds, which may borrow from time to time.	Portfolios are subjected to stress testing to monitor the impact of borrowing on the risk profile of the funds.

Joining Fisher Funds LifeSaver Plan and making contributions

You can join the Fisher Funds LifeSaver Plan if your Employer agrees and has signed a Participating Agreement with us. The employer supplement, which accompanies the PDS, summarises the rules of your Employer Scheme.

If your Employer stops participating in LifeSaver, their Employer Scheme will be wound up and no further members, or member contributions will be accepted.

Accounts

When you join LifeSaver, all contributions on your behalf accumulate in your LifeSaver account and are identified separately as your:

- Member Account;
- Voluntary Account;
- Employer Account;
- Employer Special Purpose Account.

The accounts record the money flowing in and out of LifeSaver that relate to you. Their value determines the value of Benefits.

Your Employer may direct us to transfer all or part of your Employer Account to your Member Account.

The Accounts established for you will work as follows:

Accounts may be increased by:

	Member Account	Voluntary Account	Employer Account	Employer Special Purpose Account
Member contributions	✓			
Additional member contributions		✓		
Employer contributions			✓	✓
Distributions from the **Reserve Fund**, or the **Employer Special Purpose Reserve Account**	✓		✓	✓
Transfers from the **Employer Account** or the **Employer Special Purpose Account**	✓			
Interest, investment earnings or tax rebates	✓	✓	✓	✓
Financial assistance or grants provided as a result of any legislation	✓			
Transfers from another retirement scheme	✓	✓	✓	✓

Accounts may be reduced by:

	Member Account	Voluntary Account	Employer Account	Employer Special Purpose Account
Insurance premiums in respect of any Insured Benefits (if applicable)	✓	✓	✓	✓
Fees, costs, expenses, charges, tax	✓	✓	✓	✓
Withdrawals	✓	✓	✓	✓
Transfers to the Member Account			✓	✓

Reserve Fund

Your Employer may operate a Reserve Fund which is used to accumulate any amounts forfeited by other employees. We may, with the consent of the Employer, apply the Reserve Fund for any purpose outlined in the Governing Document. This may include making a fair and equitable dispersal to members' accounts, paying fees and expenses, paying insurance premiums for members or deducting Employer contributions.

Your Employer cannot reclaim any portion of the Reserve Fund without the approval of the Financial Markets Authority (FMA), in accordance with the Financial Markets Conduct Act 2013 (FMCA).

Unless otherwise provided for in your Employer's Participating Agreement, if the Participating Agreement is dated before 9 February 2006 any monies in excess of $2,000 at the end of any Plan Year (from 1 April to 31 March) in the Reserve Fund will be used to increase the appropriate Member Account and Employer Account based on each member's pro rata share of the Employer Scheme.

Unless otherwise provided for in your Employer's Participating Agreement, if the Participating Agreement is dated on or after 9 February 2006, we may distribute the excess amount for any purpose outlined in the Governing Document.

Cessation of membership

You will cease to be a member on the earlier of:

- ceasing employment with an Employer who participates in LifeSaver (unless leave of absence has been approved);
- your Employer ceasing to participate in LifeSaver;
- your account being transferred to another retirement scheme;
- LifeSaver being wound up;
- any tax attributable to your account exceeding your account balance (at our discretion); or
- your LifeSaver accounts being reduced to a zero balance, subject to the maintenance of any Insured Benefits (applicable only to a member whose Employer commenced participation in LifeSaver on or after 9 February 2006) at our discretion.

Benefits

Benefits on retirement

If you retire on or after your normal retirement date, or your Employer agrees to your early retirement, you'll be entitled to a Benefit equal to the value of your:

- Member Account;
- Voluntary Account;
- Employer Account; and
- Employer Special Purpose Account; or
- such other sum as set out in the employer supplement.

Benefits on resignation

If you leave employment and you are not entitled to any withdrawal or Benefit for any other reason, you'll be entitled to a Benefit equal to the value of your:

- Member Account;
- Voluntary Account;
- a percentage of your Employer Account and Employer Special Purpose Account as set out in your employer supplement;
- any Insured Benefits (if applicable); and
- any further amount as we and your Employer decide provided this further amount doesn't exceed the balance of the Employer Account and Employer Special Purpose Account (if applicable).

Benefits on redundancy or ill health

If you're made redundant or leave employment due to ill health (as certified to us by your Employer), you will be entitled to a Benefit equal to the value of your:

- Member Account;
- Voluntary Account;
- Employer Account; and
- Employer Special Purpose Account; or
- such other sum as set out in the employer supplement;

provided that any payment will always include your Member Account and Voluntary Account.

Benefit on dismissal

If you are dismissed or you leave employment to avoid dismissal for misconduct, dishonesty, theft or fraud, you will receive a cash lump sum comprising of your:

- Member Account;
- Voluntary Account; and
- a portion of your Employer Account or Employer Special Purpose Account as decided by us and your Employer; or
- such other sum as set out in the employer supplement,

provided that any payment will always include your Member Account and Voluntary Account.

If you owe any money to your Employer as a result of misconduct, dishonesty, theft or fraud, we will reimburse your Employer before any Benefit is paid to you.

Benefits on death

If you are employed but die before your normal retirement date your estate will be entitled to your:

- Member Account;
- Voluntary Account;
- Employer Account and Employer Special Purpose Account as set out in the employer supplement; and
- any Insured Benefits (if applicable); or
- such other sum as set out in the employer supplement,

provided that any payment will always include your Member Account and Voluntary Account.

Insured Benefits

Your Employer may make Insured Benefits such as death, total and permanent disability, crisis or salary continuance cover available to you and in some cases your spouse or partner. The employer supplement will specify any Insured Benefits available to you.

Neither we, nor the Supervisor take any responsibility for any insurance offered by your Employer and we are not liable to make payments in relation to any insurance policy.

Suspension or deferral of withdrawals

We may suspend or defer the timing of withdrawals, transfers and switches if we determine that the redemption of units is not practicable or desirable, would be prejudicial to the interests of members or would threaten the Scheme's eligibility for PIE status. This may happen, for example, because of financial, political or economic conditions affecting investment markets.

In certain circumstances (for example to address liquidity issues) we may make an initial partial withdrawal or transfer payment, with the remaining amount paid out at a later date.

We will notify you if we invoke a suspension.

Change of Employer

Where you leave the employment of an Employer who participates in LifeSaver, but immediately commence employment with another Employer who also participates in LifeSaver, you may, if the new Employer consents, request us to transfer the balance of your applicable LifeSaver accounts to the Employer Scheme for the new Employer.

Tax

We provide the following information on tax related to Fisher Funds LifeSaver Plan as a general guide only and neither the Supervisor nor we accept any responsibility for your taxation liabilities. Please seek independent tax advice before investing.

Investment not subject to the Foreign Investment Fund (FIF) Regime

Funds holding shares in New Zealand resident companies or certain companies resident in Australia that are listed on the Australian Securities Exchange are taxed on those shares under the ordinary New Zealand tax rules.

Dividends on such shares are usually fully taxable, with a credit allowed for any attached imputation credits (but not for any Australian franking credits). The funds are entitled to a tax credit for any withholding tax deducted from such dividends. Tax should not be payable by the funds on any gains from the sale of such shares.

Investment subject to the FIF Regime

Other international shares held by the funds are usually taxed under the Fair Dividend Rate (FDR) method in the FIF regime. Under that method, these shares give rise to deemed income in an income year (being 1 April — 31 March) equal to 5% (or a pro rata portion) of the average daily market value of the shares for that income year (or part year). The funds are entitled to a credit for any withholding tax paid on dividends received from the shares, subject to certain limits. Any dividends or profits from sales of the shares are ignored for tax purposes. No tax deduction may be claimed for any losses in respect of the shares under this method.

Other non-equity investments

Interest earned by the funds, foreign exchange gains from non-New Zealand dollar denominated debt instruments and income derived from hedging contracts are generally taxable. The funds are entitled to a deduction for expenses incurred in earning their income and for any foreign exchange and hedging losses.

Tax on contributions

No additional tax is payable if your contributions to the Scheme are made from your after tax income.

Tax on withdrawals

Under current legislation, except as described below, when you withdraw funds in New Zealand the amount withdrawn will not be subject to any further tax.

PIE tax treatment and timing

The Scheme is a multi-rate Portfolio Investment Entity (PIE) for tax purposes. This means that any taxable income of the Scheme will be taxed at your Prescribed Investor Rate (PIR). Providing the correct PIR will also mean no further tax is payable each year or when you make a withdrawal. Shortly after the end of the tax year or after a full withdrawal from the Scheme, we'll give you information on your investment, including the amount of income attributed to you and the amount of any PIE tax on your investment for the year.

We'll calculate the tax on your share of taxable income based on the PIR that you provide and cancel units held by you to the value of the amount owed by you and pay the tax to Inland Revenue. We'll also issue additional units to you to reflect the amount of any tax credit owed to you. Tax adjustments are made as at 31 March each year or whenever you switch, transfer or withdraw units.

If your balance is equal to or less than the tax that is payable on income earned since the start of the tax year, we will cancel any remaining units and pay the tax liability to Inland Revenue.

PIRs and individual members

Individuals who are New Zealand tax residents determine their PIR based on their taxable income and their total income (i.e. taxable income plus attributed PIE income less attributed PIE loss) in the previous two income years. To work out your PIR, use the table below, call us on 0508 347 437, or go to Inland Revenue's website ird.govt.nz.

How to calculate your PIR

In either of the last two income years was your taxable income **$14,000 or less** and your total income (including PIE income) **$48,000 or less**? → Yes → Your PIR is **10.5%**

↓ No

In either of the last two income years, was your taxable income **$48,000 or less** and your total income (including PIE income) **$70,000 or less**? → Yes → Your PIR is **17.5%**

↓ No

In all other cases → Your PIR is **28%**

We'll give you information about your attributed income at the end of the tax year or after a full withdrawal from the Scheme. This information will help you determine whether you need to change your PIR for the next tax year.

Fisher Funds may be notified of a change to your PIR

If Inland Revenue believes your PIR is incorrect, they may provide us with an updated PIR for you. We would then update your account with the new PIR. You can subsequently provide us with a different PIR if you believe the PIR Inland Revenue provided is incorrect.

New residents to New Zealand

In determining your PIR, you must treat gross income earned from foreign sources (in the income year you became a New Zealand resident and in the preceding two income years) as if it were taxable income. However, you may choose that this rule not apply if you expect that your taxable income in the relevant year will be significantly lower than your total income in the income year prior to becoming a New Zealand resident. In that case, your returns from the fund will be taxable, with a credit being available for any PIE tax paid.

PIRs and non-residents

If you stop being a New Zealand tax resident, your PIR will be 28%. Although a non-resident may not need to file a New Zealand tax return, you may need to file a return in your country of residence.

Employer Superannuation Contribution Tax (ESCT)

Employer contributions to LifeSaver are subject to ESCT at the following rate, which is deducted before the contributions are credited to your account:

Total salary or wages and the before-tax employer superannuation contributions made for your benefit in the previous year.	ESCT rate
$16,800 or less	10.5%
$16,801 — $57,600	17.5%
$57,601 — $84,000	30%
$84,001 — $216,000	33%
Over $216,001	39%

The above rates are subject to change and the most recent rates are available at ird.govt.nz.

If you were not employed for the full previous tax year, the rate will be based on estimates of your expected taxable earnings and employer superannuation contributions for the current tax year.

Relevant policies

Copies of the following policy documents are available at fisherfunds.co.nz/policies-and-privacy:

- Conflicts of Interest
- Portfolio Trading
- Proxy Voting
- Responsible Investment
- Unit Pricing and Valuation
- Unlisted and Suspended Securities
- Liquidity Risk Management

Contact: Private Bag 93502,
Takapuna, Auckland 0740
0508 347 437
enquiries@fisherfunds.co.nz

FF751 11/23