Other Material Information

i-Select PIE

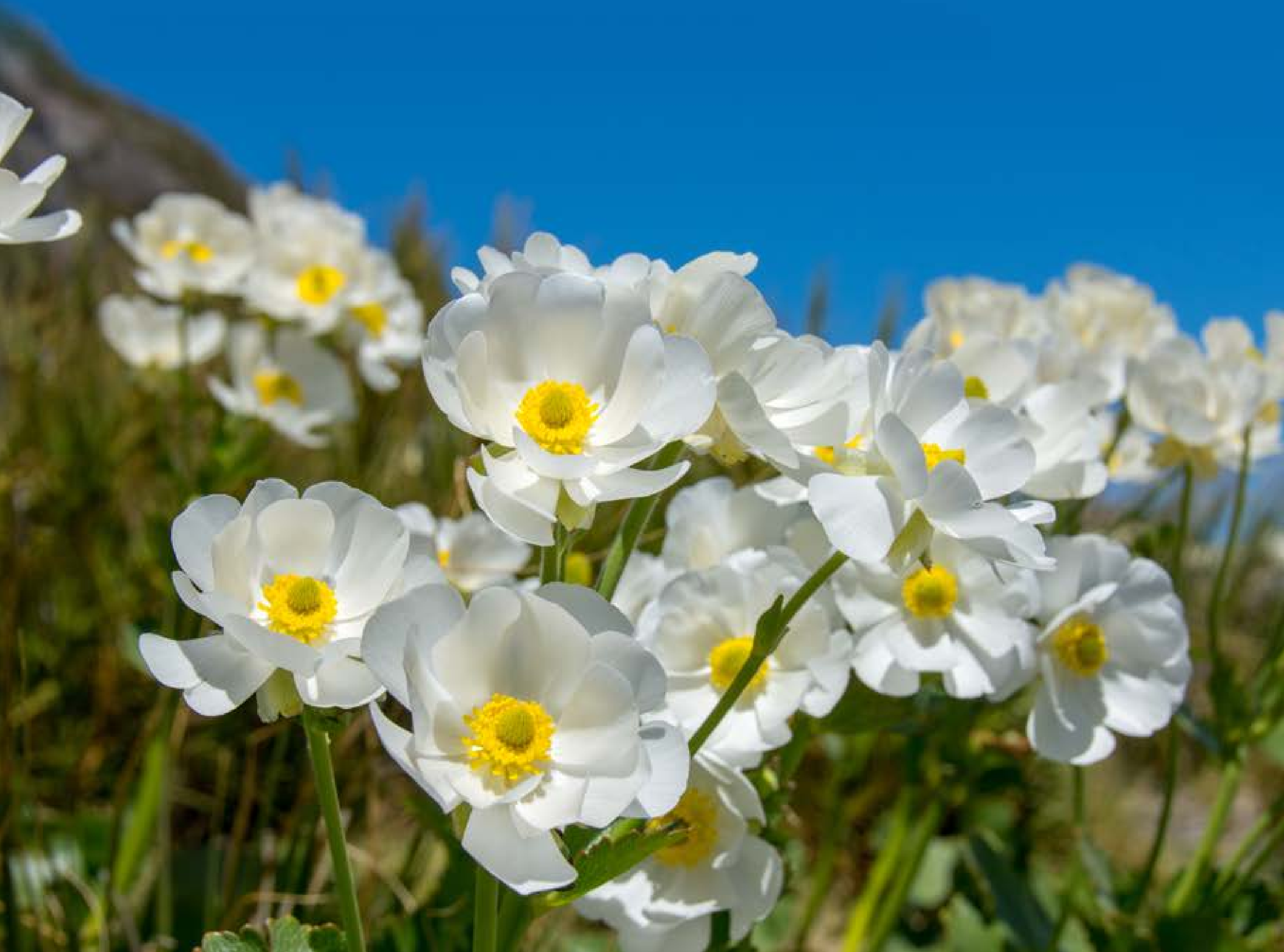
Superannuation Scheme

Dated 8 November 2024
Issued by i-Select Limited

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 www.disclose-register.companiesoffice.govt.nz. i-Select Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013 ('FMCA'). You can also seek advice from a financial adviser to help you make an investment decision.

iSelect
SUPERANNUATION

Table of Contents



1 General Information

Introduction

This document contains important information relating to the offer of membership in the 5 Funds within the i-Select PIE Superannuation Scheme (Scheme) to help you make your investment decision.

This document should be read alongside the Product Disclosure Statement (PDS) for the 5 Funds. This document, the PDS, the Statement of Investment Policy and Objectives (SIPO), the Trust Deed (Trust Deed) and other useful information about this offer can be found on the Offer Register and the Scheme Register at **www.disclose-register.companiesoffice.govt.nz**

In this document:

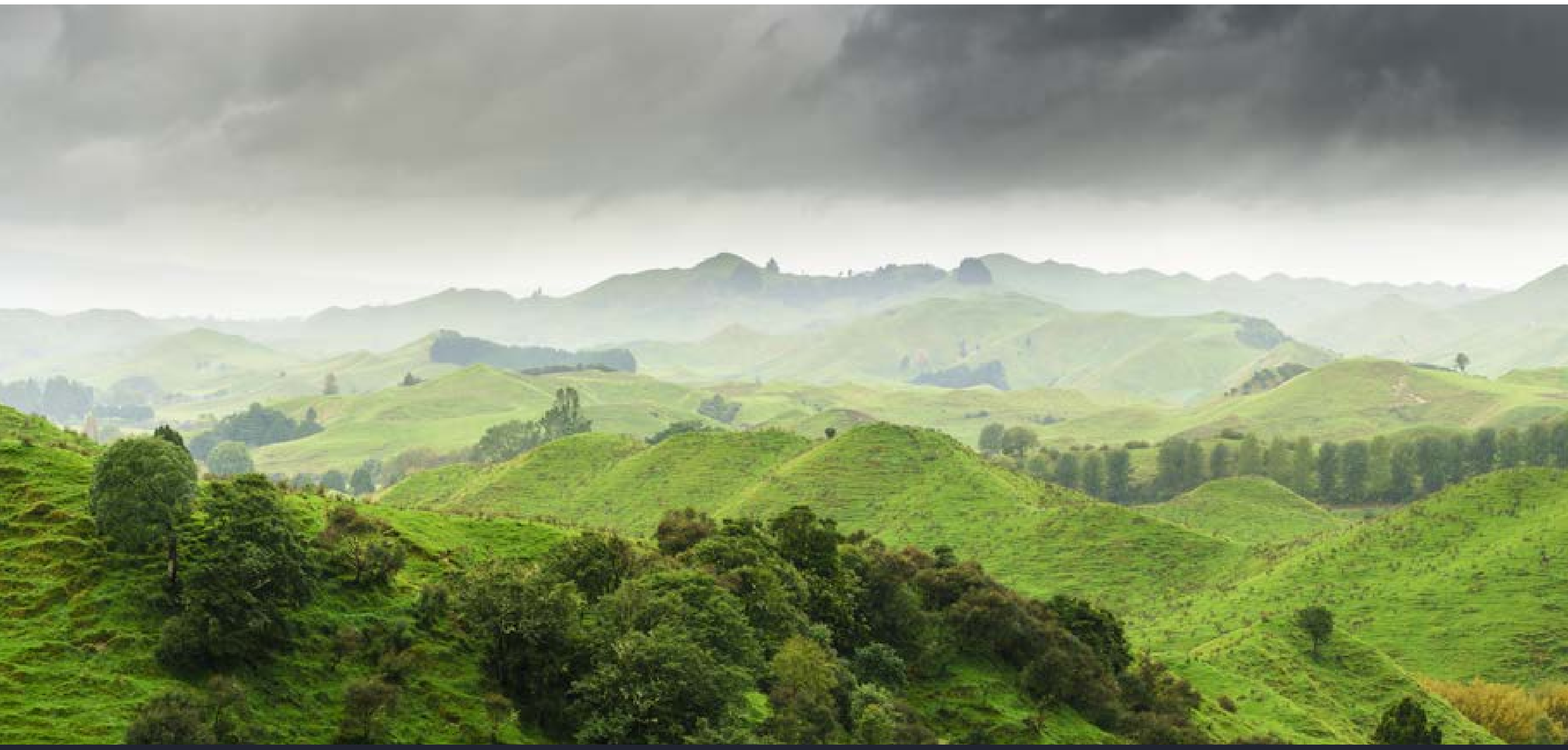
- the words **'you'** or **'your'** refer to you and other persons who apply for membership of the Scheme or who are accepted as Members of the Scheme.
- the words **'we'**, **'us'**, **'i-Select'**, **'Manager'** or **'our'** refer to i-Select Limited, the Manager of the Funds. We have prepared the information in this document.
- where words are defined in the Glossary in Section 7, those words have the meaning given whenever they are used in this document.
- where we refer to something that we or someone else 'currently' does, this describes our or their practice at the date of this document only. We can review and change our practices without notice to you, as long as we comply with the Trust Deed and the Governing Legislation. Other parties may change their practices at any time. Any material changes by us or others will be taken into account in this document as soon as practicable.

Details of the Funds

i-Select PIE Superannuation Scheme commenced accepting members in June 2019. The Scheme was established on 3 May 2019 in Ashburton, New Zealand and the 5 Funds covered by this OMI and the PDS were setup by Establishment Deeds dated 29 May 2019.

No guarantee

There is no guarantee from the Crown or any other person in respect of the Funds. No person associated with the Scheme guarantees the repayment of capital or the investment performance of the Funds. Our obligations, and those of the Supervisor, are not guaranteed by any third party.



Who is involved?

This section provides information about the individuals and groups of people who are responsible for providing the Funds, and their key powers to change the way the Funds operates under the Trust Deed.

The Manager

i-Select Limited, a company incorporated in New Zealand, is the Manager of the Scheme.

We have been granted a licence under section 394 of the Financial Markets Conduct Act 2013 (FMCA) by the Financial Markets Authority (FMA) to act as a Licensed Manager in respect of managed investment schemes.

We are responsible for the following functions:

- offering interests in the Funds for subscription;
- issuing interests in the Funds;
- managing the Funds assets;
- administering the Funds.

Neither the Supervisor nor i-Select, accepts any responsibility for the taxation implications of Members investing in the Funds. Members are advised to consult a qualified and experienced tax adviser.

We, in the role as Manager, are responsible for the administration of the Funds. We may delegate the performance of any of our powers, authorities, functions or discretions to an officer or an employee or any other person we nominate, including an associated person, in accordance with the terms of the Trust Deed. We remain liable for the act or omission of those delegates. We can also appoint investment managers, administration managers and other experts (which can be associated persons).

We also manage the investment of the Funds and may, subject to compliance with the SIPO, give whatever directions are considered necessary in that regard.

For more information on our powers, duties and responsibilities please see the Trust Deed available on the scheme register at www.disclose-register.companiesoffice.govt.nz.

i-Select Limited was originally incorporated in New Zealand as a company on 2 July 2012 as i-Select Trustee Services Limited. It changed its name to i-Select Limited on 28 October 2016.

The Directors of the Manager

The names and background of our directors are given below and are current at the date of this document. Our directors may change from time to time and details may be obtained from the Companies Office at companies-register.companiesoffice.govt.nz.

Hugh Stevens
Director

Hugh has more than 20 years experience in banking and funds management with previous roles as Chief Executive Officer of Smartshares Ltd and executive roles with BNP Paribas and JP Morgan in New Zealand, UK and France. Hugh is an Executive Director of Betashares NZ and is currently Chair of Fundrock NZ Ltd and Deputy Chair of the Government Superannuation Fund Authority.

Doug Cameron
Director

Doug has 20+ years experience in financial services spanning operations, relationship management and senior management roles. Doug's most recent role was New Zealand Country Manager of BNP Paribas Securities Services during a period of significant growth. Prior to financial services Doug worked in the information technology sector where he was CFO for a group of privately held companies. Doug is a member of the Institute of Directors and has held previous Board positions including on the Board of the French New Zealand Chamber of Commerce.

Ireen Muir
Director

Ireen holds a Bachelor of Arts and Bachelor of Laws degree from Victoria University of Wellington - Te Herenga Waka. Ireen has over 17 years' experience in the financial services industry providing trustee or supervision services to superannuation and other managed investment scheme managers, debt issuers, non-bank deposit takers and structured finance arrangements. Ireen is currently employed in a role that includes oversight of compliance and scheme administration of two large superannuation schemes that are governed by bespoke legislation and trust deeds.

The Supervisor

The Supervisor of the Scheme is Public Trust. Public Trust is a statutory corporation and Crown entity established under the Public Trust Act 2001.

The address of Public Trust is:

Public Trust
Level 16, SAP Tower
151 Queen Street
Auckland Central
Auckland 1010

The board members of Public Trust may change from time to time. The current names of Public Trust's board members may be obtained from the Public Trust at www.publictrust.co.nz.

Public Trust has been granted a licence under section 16(1) of the Financial Markets Supervisors Act 2011 (FMSA) to act as a supervisor in respect of debt securities, KiwiSaver schemes, non-fund schemes, specified managed funds, superannuation schemes, and as a statutory supervisor in respect of retirement villages for a term expiring on 16 January 2028. A copy of Public Trust's licence, including the conditions on the licence, can be obtained at www.fma.govt.nz.

Public Trust is responsible for the following functions:

- supervising the performance by the Manager of its functions and its issuer obligations;
- supervising the financial position of i-Select and the Scheme to ascertain that it is adequate;
- acting on behalf of the Members in relation to i-Select;
- reporting to the FMA any contravention or likely contravention by i-Select of an issuer obligation;
- holding the Scheme's property, or ensuring that it is held, in accordance with the FMCA;
- performing or exercising any other functions, powers, and duties conferred or imposed on it by or under the FMCA or FMSA and the Trust Deed.

Public Trust may also appoint and delegate certain functions, including a custodian for the Scheme.

For more information on Public Trust's role and responsibilities, powers and obligations please see the Trust Deed available on the offer register at www.disclose-register.companiesoffice.govt.nz.

The Administration Manager

We have delegated the administration functions of the Funds to Adminis NZ Limited (Adminis).

The address of Adminis is:

Adminis Limited
Level 1, Inspire House,
125 Featherston Street
PO Box 25555
Wellington 6140

The current names of Adminis' directors may be obtained from the Companies Office at companies-register.companiesoffice.govt.nz

Adminis is responsible for the following functions:

- Member record keeping and registry;
- Fund accounting;
- Valuation services.

See www.adminis.co.nz for more details.

The Investment Consultant

i-Select has an agreement with Mercer (N.Z.) Ltd (Mercer) for the provision of investment consultancy services including establishing investment policies, selecting and ongoing monitoring of investment managers, investment performance monitoring, and regular strategy reviews.

The Funds are is currently invested in Mercer's investment funds in New Zealand, Australia and Ireland. The functions performed by Mercer in relation to the Funds and how it will perform these were agreed in a service level agreement between i-Select and Mercer.

Mercer's address is PWC Tower, 15 Customs Street West, Auckland, 1010.

The Custodian

The Supervisor has appointed Adminis NZ Ltd as custodian to hold all assets of the Funds.

The Auditor

BDO Christchurch has been appointed as Auditor of the Scheme. BDO Christchurch is registered under the Auditor Regulation Act 2011 and is a qualified auditor under the FMCA. Other than in its capacity as Auditor, BDO Christchurch has no relationship with, or interests in, the Scheme.

The Solicitor

The Solicitor to the Scheme and i-Select is DLA Piper, New Zealand.

Other Parties

We may appoint administration or investment managers to carry out administration or investment management (as applicable) of the Funds. Any administration or investment managers appointed by us may change from time to time without notice to you.

Material contracts

The following are considered to be material contracts:

The Trust Deed

The Scheme is governed by the Trust Deed, and the original Trust Deed is dated 3 May 2019. The key powers of the Manager and Supervisor under the Trust Deed are summarised below, under 'Key Powers under the Trust Deed'.

Supervisor Reporting Agreement

We have entered into a supervisor reporting agreement with the Supervisor. This clarifies the parties' respective functions, powers and duties in respect of the Scheme. This includes responsibility for compliance with requirements such as preparation of Disclosure Documents required by the FMCA. In addition, the agreement provides for regular and ad hoc reports to be provided to the Supervisor in respect of various matters related to the scheme.

Administration Agreement

We have entered into an administration agreement with Adminis. Under this agreement, we have delegated certain functions to Adminis such as unit pricing, fund accounting and maintaining the register of members. This agreement is on what we consider to be standard terms.

Key powers under the Trust Deed

Set out below is a summary of the Manager and Supervisor's key powers under the Trust Deed.
For more information, please see the relevant sections of the Trust Deed on the scheme register at www.disclose-register.companiesoffice.govt.nz.

Changes to Funds and SIPO

We can establish Funds within the Scheme for Members to invest in and can set up rules regulating conditions for choosing Funds. The terms and conditions of each Fund are included in the SIPO, which sets out how we invest each Fund's assets. We can change the SIPO, and can also, subject to compliance with the FMCA and the Trust Deed, close, wind up, or alter any Fund.

Alteration of Fees

Details of the fees currently charged are set out in Section 6 (Fees and Other Charges) of this document. These may change from time to time.

Trust Deed amendments

Subject to compliance with the FMCA and the Trust Deed, and with the consent of the Supervisor, we can amend or replace any part of the provisions of the Trust Deed.

Changes to the Manager

The Manager may retire, provided a new manager is appointed. The Manager may also be removed by the Supervisor if it thinks that it is in the best interests of the Members, by a Special Resolution of the Members, or by the Courts.

Changes to the Supervisor

The Supervisor may retire, provided a new supervisor is appointed. The Supervisor may also be removed by the Manager upon giving notice, by a special resolution of the Members, or by the FMA should the Supervisor cease to be licensed.

2 Joining and Contributing

Introduction

This section provides information about joining and contributing to the Funds. This information describes how you and your employer (if any) make contributions to the Funds. Contributions and eligibility criteria for joining the Funds are governed by the Trust Deed and may change in the future.

Admission of members

Membership is open to all individuals. You can join by completing the application form available at www.i-select.co.nz.

Under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (AML/CFT Act) we, as Manager of the Scheme, must verify the identity and address of all applicants prior to accepting them as a Member. We may also request further or updated information under the AML/CFT Act, including after you become a Member of the Funds.

If we consider you haven't provided all required information, or we haven't been able to verify it to our satisfaction, you may not be able to make a withdrawal from your Personal Account until you have provided such information.

Transfers

You can transfer money from the following retirement schemes to the Funds.

Transfer from	Details
New Zealand superannuation schemes	If you are a member of a workplace savings scheme or a superannuation scheme and you are eligible to make a withdrawal, you may be entitled to transfer your money to the Funds. You will need to meet your provider's transfer requirements.
UK registered pension schemes	Please contact us to discuss the specific requirements for your scheme.
Other Recognised Overseas Pension Scheme (ROPS) outside of the UK and New Zealand	
Other non-ROPS pension schemes outside of the UK and New Zealand (for example Irish registered pension schemes).	
US 401K	Generally, these may only be redeemed and there may be a tax cost.
US IRA	Generally, these may only be redeemed and there may be a tax cost.
Canadian Registered Retirement Savings Schemes	Generally, these may only be redeemed and there may be a tax cost.

You cannot transfer money from the following retirement schemes to the Funds.

Transfer from	Details
KiwiSaver scheme	Monies can only be transferred between KiwiSaver Schemes and to Australian complying superannuation funds (subject to conditions).
Australian complying superannuation fund	Monies may only be transferred between Australian complying superannuation funds and to KiwiSaver Schemes.
Social security pensions provided by a State	Most countries will not transfer an entitlement to its State retirement scheme.

This is not an exhaustive list, and there may be other types of retirement scheme monies that you may or may not transfer to the Scheme.

Transfers of UK pension fund money

Making a transfer of money from a United Kingdom (UK) registered pension fund to the Funds (UK Transfer) is an important decision. It is recommended that you discuss proposed UK Transfers with an appropriately qualified and experienced financial adviser, as well as your UK and New Zealand tax advisers and your UK pension fund provider.

This summary of the implications of making a UK Transfer to the Funds is based on our understanding of UK pension rules. Future changes to those rules could subsequently and adversely affect the tax treatment of UK Transfers and payments of benefits from those UK Transfers by the Funds.

The Scheme is a Qualifying Recognised Overseas Pension Scheme (QROPS), which means that it has been accepted by His Majesty's Revenue and Customs (HMRC) that it may receive transfers of UK pension fund money from UK pension schemes or from other QROPS. The term QROPS has been shortened by HMRC to ROPS (Recognised Overseas Pension Scheme) in recent years, but the two terms are essentially the same and interchangeable. We use ROPS throughout the rest of this document to be in line with current terminology.

UK Transfers will not incur HMRC Overseas Transfer Charges (OTC) provided you are resident in New Zealand at the time of the UK Transfer to the Funds, and not deemed to be resident in another country under the terms of any Double Taxation Agreement. These qualifying conditions must be met for five full UK tax years, otherwise OTC will apply.

Although the UK Lifetime Allowance (LTA) tax charge has just been abolished, transfers in excess of a recently introduced Overseas Transfer Allowance (OTA) may incur a 25% OTC. The OTA has been set at £1,073,100, but may be reduced by previous LTA debits (Benefit Crystalisation Events) or enhanced by LTA protections.

You may be subject to a New Zealand tax liability if you make a UK Transfer and are tax resident in New Zealand at the time. The amount payable is generally dependent upon the amount of time you have resided in New Zealand and the amount of the UK Transfer. Unless you are eligible to make a withdrawal from the Funds, you will not be able to access your money in the Funds to meet this tax liability. Further information on withdrawals is available in Section 3 of this document ('Withdrawals').

Further details on the tax implications of UK Transfers is given in Section 4 (Taxation).

We may impose conditions on acceptance of any UK Transfers, subject to compliance with legislation and the Trust Deed. We don't guarantee that the Scheme will retain ROPS status at all times. If the ROPS status of the Scheme is lost, your UK tax implications may change in relation to transfers into the Funds.

Neither the Manager nor the Supervisor or any other person involved in providing the Funds to you takes any responsibility for any UK or NZ tax charges that arise as a result of you being a Member of the Scheme, or of the Scheme losing its ROPS status.

If your UK pension fund contains any guaranteed minimum benefits, such as those contained in a Defined Benefit Scheme or a final salary scheme, those guarantees will not apply once the monies have been transferred to the Funds.

Contributions accepted by i-Select and valuation

The minimum contribution to the Scheme is $1. We may accept contributions and other monies payable to the Scheme, but may also decline to accept such contributions without giving a reason, and may impose additional fees. We may require amounts to be paid to the Scheme other than the minimum amount stated above. i-Select may also impose other conditions for accepting contributions.

Valuation will take place weekly or at such intervals as determined by the Manager from time to time, provided that valuation intervals shall never be more than a month.

3 Withdrawals

Introduction

This section provides additional information about withdrawals from the Funds, including circumstances when you can make an early withdrawal from the Funds. Withdrawals are governed by the Scheme's Trust Deed and the superannuation scheme rules (Superannuation Scheme Rules) set out in Schedule 12 of the Financial Markets Conduct Regulations 2014 (FMCR). They may change in the future.

The Funds are designed to help you save for your retirement. The circumstances in which you are able to make a withdrawal are different for money transferred from a UK pension fund (UK Pension Transfer Money) than for other contributions and transfers you make to the Funds (Other Contributions).

Benefits paid out of Other Contributions under the category of Permanent Early Retirement, Transition to Retirement, Significant Financial Hardship and Serious Illness are considered by the Scheme's Supervisor. We, as Manager of the Funds, make decisions about benefits paid after the age of 65 and benefits paid out of UK Pension Transfer Money, and are responsible for arranging payments and transfers.

You will normally receive your withdrawal payment within 30 working days of your application being approved, although we endeavour to process withdrawal requests within 10 working days. Withdrawals can only be approved and processed once we or the Supervisor have received all the required information.

Withdrawing UK Pension Transfer Money

The Scheme is a ROPS, which means that UK Pension Transfer Money transferred to the Funds from UK registered pension schemes is subject to withdrawal restrictions to ensure the Scheme complies with UK ROPS requirements. ROPS requirements and restrictions may change from time to time to meet UK requirements.

Money transferred from UK pension schemes to the Funds won't qualify for withdrawal benefits earlier than they would have, if pension rule 1 in section 165 of the UK Finance Act 2004 applied. This generally means that you cannot take benefits until age 55, (57 from 6 April 2028) unless the Serious Illness criteria apply.

In 2014, the UK Government announced that the age that individuals can take benefits from UK pension schemes will increase to 57. Legislation has now been passed to bring this into effect.

Under UK rules there are two types of ill-health conditions for making withdrawals:

- Terminal illness – where you are not expected to live for more than 12 months; and
- Serious illness – where you are unable to carry on your usual occupation because of physical or mental impairment.

For a withdrawal subject to either of the UK ill-health conditions, you will need to provide medical evidence to help us determine whether you meet the criteria.

Withdrawals of UK Pension Transfer Money on death are the same as for 'Other Contributions' as described on page 11 ('Death').

We may agree with the manager of the UK pension scheme or other ROPS from which a Member's UK Pension Transfer Money is to be transferred to impose other terms and conditions on the Member's UK Pension Transfer Money. We may also impose such other terms and conditions on the Member's UK Pension Transfer Money as we may determine as being necessary or desirable or in the interests of the relevant Member or the Funds. We will always discuss these with you before accepting any monies.

We will decline any request to withdraw UK Pension Transfer Money if it is not in the best interest of the Funds or their Members. This would be the case, for instance, if it threatened our UK ROPS status or our registration as a superannuation scheme in New Zealand.

Some withdrawals may be classed in the UK as either Uncrystallised Pension Lump Sums or Flexi-Access, and this may have implications for those that may wish to make pension contributions in the UK at a future date. It is recommended that appropriate financial advice is sought if this is the case.

This summary of the implications of withdrawing UK Pension Transfer Money from the Funds is based on our understanding of UK pension rules. Future changes to those rules could adversely affect payments from the Funds of any UK Transfer amount in your Personal Account.

Withdrawing non-UK Pension Transfer Money ('Other Contributions')

You will be able to withdraw your Other Contributions at the following times:

- The date you turn 65 (i.e. on reaching the New Zealand Superannuation qualification age);
- The date you reach 60 (i.e. five years before reaching the New Zealand Superannuation qualification age), provided the Supervisor is reasonably satisfied that you have permanently retired from business or employment;
- The date you reach 55, as part of a transition to retirement ('Transition to Retirement');
- In the case of significant financial hardship at any age;
- In the case of serious illness at any age;
- Upon death.

Some of these are described below.

Withdrawal on Transition to Retirement

If you have turned 55 and want to make a withdrawal as part of Transition to Retirement, your withdrawal will be made through periodic payments and subject to a maximum withdrawal amount determined in accordance with the following formula:

$$M = A/(Y+1)$$

Where:

M = is the maximum withdrawal amount payable at that time

A = is the value of your Personal Account at the start of the relevant period

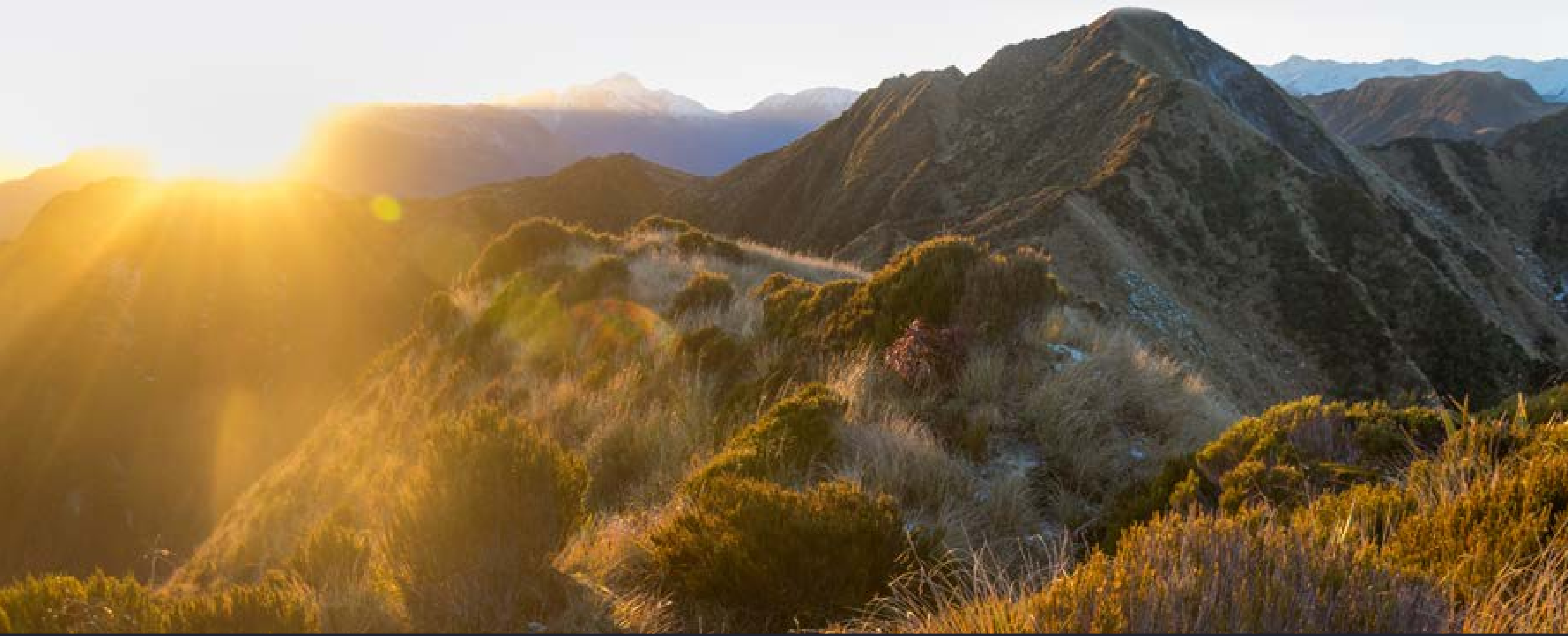
Y = is the number of remaining relevant periods that commence before you reach age 65, calculated at the start of the relevant period

Example

Barry will reach 65 years of age on 1 July 2025. Barry applies for a withdrawal as part of a transition to retirement on 1 January 2022. The first relevant period is 1 January 2022 to 31 December 2022.

On 1 January 2022, Barry's Personal Account balance is $100,000. The number of relevant periods that commence before 1 July 2025 is four (i.e., the relevant periods that commence on 1 January 2022, 1 January 2023, 1 January 2024, and 1 January 2025). The maximum amount that Barry can withdraw in the first relevant period is $20,000 (i.e., $100,000/(4+1)).

On 1 January 2023, Barry's Personal Account balance is $85,000 (because, as it transpired, Barry only withdrew $18,000 in the first relevant period and investment gains amounted to $3,000). The number of remaining relevant periods is now three. The maximum amount that can be withdrawn in the second relevant period is $21,250 (i.e., $85,000/(3+1)).



Significant Financial Hardship

If the Supervisor is reasonably satisfied that you are suffering, or likely to suffer, from Significant Financial Hardship, then you may withdraw some or all your money from the Funds.

The Supervisor must be reasonably satisfied that:

(a) reasonable alternative sources of funding have been explored and have been exhausted; and

(b) may direct that the amount withdrawn be limited to a specified amount that, in the Supervisor's opinion, is required to alleviate the significant financial hardship.

Significant Financial Hardship includes significant financial difficulties that arise because of:

(a) your inability to meet minimum living expenses.

(b) your inability to meet mortgage repayments on your principal family residence, resulting in the mortgagee seeking to enforce the mortgage on the residence;

(c) the cost of modifying a residence to meet special needs arising from a disability for you or a dependant;

(d) the cost of medical treatment for an illness or injury for you or a dependant;

(e) the cost of palliative care for you or your dependant;

(f) the cost of a funeral for your dependant; or

(g) You're suffering from a serious illness- as defined in the section below.

The Significant Financial Hardship claim process includes a statutory declaration in respect of your assets and liabilities.

Serious Illness

Serious illness means an injury, illness, or disability that:

a. results in you being totally and permanently unable to engage in work for which you are suited by reason of experience, education, or training, or any combination of those things; or

b. poses a serious and imminent risk of death.

If the Supervisor is reasonably satisfied that you are suffering from Serious Illness, then you may withdraw some or all your money from the Funds.

The Supervisor may also require any medical matter asserted in support of the application for withdrawal to be verified by medical evidence, or documents or information provided to support the withdrawal and the application to be verified by oath, statutory declaration or otherwise.

The amount of your Serious Illness withdrawal may be up to the value of your Personal Account balance.

The Supervisor will require medical evidence in relation to your application for a Serious Illness withdrawal.

The Supervisor may also require other documents or information produced in support of your application to be verified by oath, statutory declaration or otherwise.

Death

In the event of your death, the Manager will:

- on application by your personal representative (i.e., the executors or administrators of your estate), pay to your estate an amount equal to the value of your Personal Account on the first unit pricing following the acceptance of the application; or
- if your Personal Account balance is less than a prescribed minimum amount (currently $15,000) and the requirements of the Administration Act 1969 are met, upon application, pay directly to a permitted recipient specified in that Act an amount equal to your Personal Account balance on the first unit pricing date after the application is accepted.

Transfers

You may be able to have your UK Pension Transfer Money transferred to another scheme, but you should note that in certain circumstances there may be adverse UK tax consequences of a transfer to another registered superannuation scheme that is not a ROPS, or withdrawals of funds that are not consistent with UK legislation.

This summary of the implications of transferring a UK Transfer from the Funds is based on our understanding of UK pension rules. Future changes to those rules could adversely affect payments from the Funds of any UK Pension Transfer Money amount in your Personal Account.

You can, at any time, apply to us to have the amount of your Other Contributions transferred to any of the following schemes:

(a) another New Zealand superannuation scheme;

(b) a KiwiSaver scheme; or

(c) an equivalent overseas retirement scheme.

Cessation of membership

You stop being a Member when you withdraw your full Personal Account balance when entitled to do so in accordance with the Trust Deed.

4 Taxation

Introduction

This section provides information on how tax may impact on your investment in the Funds. It is based on our understanding of New Zealand tax legislation as it applies to the Funds and New Zealand-tax resident Members, and is not to be considered formal independent tax advice.

Non-resident Members should seek their own tax advice in their country of residence, including tax treatment of payments to or withdrawals or transfers from the Funds.

Tax legislation, its interpretation and the rates and basis of taxation are subject to change, and the application of tax laws depends on a Member's individual circumstances.

The Scheme is a PIE

The Funds are Portfolio Investment Entities (PIEs). This means we calculate the tax payable on your Fund investment income based on your Prescribed Investor Rate (PIR), and we will pay this tax directly to the New Zealand Inland Revenue Department (IRD). Provided the correct PIR is provided to us, you won't need to include any Fund income in your personal tax return.

Prescribed Investor Rates for New Zealand tax residents

If you are a New Zealand tax resident, your PIR is based on your taxable income and attributable PIE income in either of the two tax years preceding the current tax year (with each tax year commencing on 1 April and ending the following 31 March). Taxable income includes worldwide income, including where you were not resident in New Zealand when that income was earned. If you are newly-tax resident in New Zealand and you choose not to include your worldwide income in the calculation of your PIR, your PIE income must be included in an income tax return.

You are responsible for providing your PIR to the Funds. We will remind you to check your PIR annually. You must notify us as soon as practicable if your PIR changes.

There are three PIRs available for New Zealand tax resident individuals who provide their IRD number to us. These rates are 10.5%, 17.5% and 28%.

The eligibility criteria for PIR rates for New Zealand residents is as follows:

PIR	Eligibility criteria
10.5%	New Zealand tax resident members who provide their IRD number and who had in either of the 2 tax years immediately before the current tax year: $14,000 or less in taxable income (excluding PIE income); and $48,000 or less in taxable income and net attributed income from PIEs (i.e., after subtracting any attributed tax losses from PIEs).
17.5%	New Zealand tax resident members who provide their IRD number and who had in either of the 2 tax years immediately before the current tax year: $48,000 or less in taxable income (excluding PIE income); and $70,000 or less in taxable income and net attributed income from PIEs (i.e., after subtracting any attributed tax losses from PIEs).
28%	New Zealand tax resident members who don't meet the criteria for a 10.5% or 17.5% PIR.
28%	Default rate for Members who don't provide their IRD number to the Scheme and/or don't elect a PIR.

If you are eligible to elect a lower PIR and notify a higher PIR to the Funds in error, or fail to advise a change to a lower PIR, the IRD will use any overpaid PIE tax to reduce any income tax liability you have for the tax year and any remaining amount will be refunded to you.

If you notify a lower PIR to the Funds in error, or don't advise a change to a higher PIR, you may be required to pay any tax shortfall as part of the tax year-end process. Tax may be payable at your marginal tax rate and interest and penalties may apply. If a tax return is required to be filed, you will receive a tax credit for tax paid by the Funds on your behalf.

AUD and GBP Funds: Prescribed Investor Rates for non-New Zealand residents and New Zealand Transitional residents

The AUD and GBP denominated Funds have elected to be Foreign Investment Zero-Rate PIEs. As a result, certain non-resident and transitional resident Members will be able to elect to have a 0% PIR. Such Members are called Notified Foreign Investors (NFIs) or NZ Transitional Resident Investors.

If this election is validly made and you provide certain required information to us, no New Zealand tax will be payable by the AUD and GBP Funds or you on attributed foreign income and you will not be subject to further New Zealand taxation on withdrawals from the Funds.

In order to qualify for the 0% PIR as an NFI, you must provide us with certified details of your:

- date of birth;
- home address in your country or territory of residence;
- country code as prescribed by the IRD for your country or territory of residence;
- your Tax File Number in your country or territory of residence, or a declaration that you are unable to provide this number; and
- your New Zealand IRD number, if applicable.

IRD can require us to disregard an NFI election if it considers the election to be incorrect. In these circumstances, your investment in the Funds will be subject to tax at the 28% PIR from that point in time, and you may have to prepare a New Zealand tax return to declare income received previously.

Tax losses or tax credits allocated to the Funds are not available to an NFI with a 0% PIR.

The eligibility criteria for PIR rates for non-New Zealand residents is as follows:

PIR	Eligibility criteria
0%	Notified foreign investors.
28%	Non-resident members who are not Notified Foreign Investors

NZD Funds: Prescribed Investor Rates for non-New Zealand residents

The NZD denominated Funds have elected to be Foreign Investment Variable-Rate PIEs. Foreign investment Variable Rate PIE status would normally mean that we would not tax foreign income arising within the New Zealand denominated Funds. However, this requires the foreign income to be separately identifiable so that appropriate tax calculations can be made. The three NZD Funds will have this look-through facility with effect from a date to be elected by the Manager. Until that time, the income from NZD Funds will be taxable for NFI's at the 28% tax rate as for non-residents. Once the look-through capability is in place, for NFI's income from the NZD Funds will be taxed at the following rates:

Income type	Tax Rate Applicable to Notified Foreign Investors
All non-New Zealand sourced income, fully imputed New Zealand dividends, income from New Zealand based financial arrangements excluding interest covered below	**0%**
New Zealand interest income	**1.44%**
New Zealand unimputed dividend income based on whether the Notified Foreign Investor is resident in a country with which New Zealand holds a double tax agreement (DTA) or not (non-DTA)	**15% (DTA)** **30% (non-DTA)**
Other New Zealand sourced income (if any)	**28%**

Calculation of tax by the Funds

We apply the tax rules to the Funds' investments and calculate tax and tax credits on a daily basis. We then calculate your share of the Funds' total tax liability based on:

- your daily holding in the Funds (and thus your share of the Funds' taxable income, deductible expenses and tax credits);
- your PIR rate.

How the Funds take care of tax payments and rebates

The amount of tax payable by the Funds to IRD is the sum of the tax payable by each member on their attributed income in a tax return period.

Tax is also collected from you at the end of each tax year and the time of full withdrawal, based on the year-to-date accrual. A portion of your year-to-date accrual may also be collected if you make a partial withdrawal or switch between Funds.

Tax is collected by withdrawing money from your Personal Account - in other words, by selling some of the underlying investment assets.

From time to time you may be due a tax rebate. For instance, if your share of tax credits earned by the Funds exceeds your tax liability, we will claim a rebate of tax from IRD on your behalf. If a rebate is due, we pay the rebate to your Personal Account - in other words, by buying further investment assets. If a rebate is due at the time you transfer to another scheme, the rebate will be paid to the new scheme. If a rebate is due at the time you make a full withdrawal, it will be paid along with other proceeds to your bank account.

Tax on withdrawals from the Funds

As tax has already been calculated and collected on investment income, withdrawals made from the Funds are not subject to further tax.

Annual Tax Report

We will provide you with a PIE tax statement for each tax year ended 31 March. The statement will be provided by the following 30 June.

PIE income, tax credits and tax payments don't generally need to be included in your personal tax return. The exception is where you have advised a lower PIR than the PIR for which you qualify.

Tax on New Zealand employer contributions to the Funds

If you and your New Zealand employer agree, your New Zealand employer may make employer contributions to the Funds. Contributions are often calculated as a percentage of your gross (before-tax) salary or wages. Employer Superannuation Contribution Tax (ESCT) is deducted from all New Zealand employer contributions before they are paid through to the Funds at the following rates.

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

The rate of the ESCT deduction applicable and the rate threshold amounts is subject to change by the New Zealand Government.

ESCT does not apply to contributions by a non-resident employer in respect of a non-resident employee, but may apply to a non-resident employer with an employee that is tax resident in New Zealand if the non-resident employer has sufficient presence in New Zealand, as determined by the IRD.

Taxation of foreign superannuation transfers to New Zealand for New Zealand tax residents

The New Zealand foreign superannuation rules tax transfers from foreign superannuation schemes (other than Australian superannuation schemes) to the Funds under one of two methods.

Method	Description
Schedule method	Deems a specified percentage of the transfer amount to be taxable income. Applicable to both Defined Benefit Schemes and Defined Contribution Schemes.
Formula method	Allows a member to pay tax on the actual gains derived on the investment, if such information is available. Applicable to Defined Contribution Schemes only.

Members who are Transitional Residents for tax purposes may be entitled to relief from taxation when transferring foreign superannuation entitlements to the Funds during their 4-year exemption period. Members who migrate to New Zealand but who are unable to be Transitional Residents for tax purposes may also be relieved from taxation on the transfer, provided it occurs within four years of them becoming a New Zealand tax resident for the first time after they have joined a foreign superannuation scheme.

Members seeking to transfer foreign superannuation entitlements to the Funds should seek professional taxation advice on the impact of these rules.

UK pension transfers

There are three areas of potential UK tax on the transfer of UK pension funds to, or the payment of benefits from the Funds where the monies contributed derive from UK pension funds.

- Overseas Transfer Charge (OTC)
- Unauthorised Payment Charge
- Member Payment Charge

Overseas Transfer Charge

The OTC may apply in one of two circumstances:

- The transfer is in excess of your Overseas Transfer Allowance (OTA); and
- The transfer does not meet the conditions of at least one exemption from the OTC.

Excess above the OTA

UK transfers will incur the UK OTC if the sum of:

- Previous UK benefit crystalisations,
- Previous transfers, and
- Simultaneous transfers

is in excess of the OTA. The current OTA is £1,073,100. Any amount that exceeds this limit will be subject to the OTC at the rate of 25%.

Meeting an Exemption

UK Transfers to ROPS schemes are subject to a 25% OTC unless the transfer qualifies for one of the exemptions. The principal exemption is the 'Same Country Exemption', and this will apply where the ROPS receiving scheme (i.e., i-Select) is established in the same country (i.e., New Zealand) as the individual (i.e., you) is tax resident. You will therefore not incur HMRC OTC on a UK pension transfer to the Funds, provided you are resident in New Zealand at the time of the UK Transfer, and not deemed to be resident in another country under the terms of any Double Taxation Agreement. This condition must be satisfied for a period of five years from the date of transfer, otherwise OTC will apply (unless another exemption applies instead).

Funds that were transferred out of the UK pension system prior to 9 March 2017 are permanently outside of the OTC, including any subsequent ROPS-to-ROPS transfer.

Unauthorised Payment Charge

A tax charge of 40% plus an additional surcharge of 15% may be levied in two circumstances:

- Transfer of a UK pension fund to a non-ROPS pension scheme; and
- Withdrawal of money from a ROPS other than at or after the age of 55 (57 from 6 April 2028) or under the ill-health rules.

i-Select mitigates this by targetting compliance with the ROPS regime to remain a ROPS, and by targetting that only benefits permitted under the ROPS rules are paid. Under the ROPS rules, we must report any payments made from the Funds (including transfers out of the Funds) from a Member's UK Pension Transfer Money until there has been a period of 10 years from the date of the relevant Member's original transfer from the UK scheme.

The Scheme could lose ROPS status at any time and neither we nor the Supervisor represent that the Scheme will continue to have ROPS status. If ROPS status is lost, a Member's UK tax implications may change in relation to their balance in the Funds and/or future transfers.

To confirm whether the Scheme has ROPS status at any time, and the requirements and restrictions relevant to that status, Members should contact us.

Member Payment Charges

The UK reserves the right to tax certain benefits in circumstances where they have been paid out of UK Pension Transfer Money which has received UK tax relief. Where a Member has been resident within the UK within the last 10 years, or the transfer of UK pension funds out of the UK was within the last 5 years, these UK taxing provisions may apply. Residents outside of New Zealand will need to seek advice on the tax implications of making withdrawals within the time limits mentioned above.

i-Select is not a UK nor NZ tax adviser and recommends that Members seek professional tax advice regarding their individual circumstances.

5 Risks

Introduction

This section provides an overview of how risks affect your investment and describes the types of risk associated with investing that could impact the level of return from your investment or the ability to recover the full amount of your investment in the Funds.

The risks described in this section include the key investment risks and other risks that may impact on any of the Funds. The information doesn't cover everything, but does cover the risks that we believe to be the most important. It's recommended that you seek advice from a financial adviser for further information.

Risks and your investment

There are risks associated with investing and these can affect your level of return or ability to recover the total amount of your contributions.

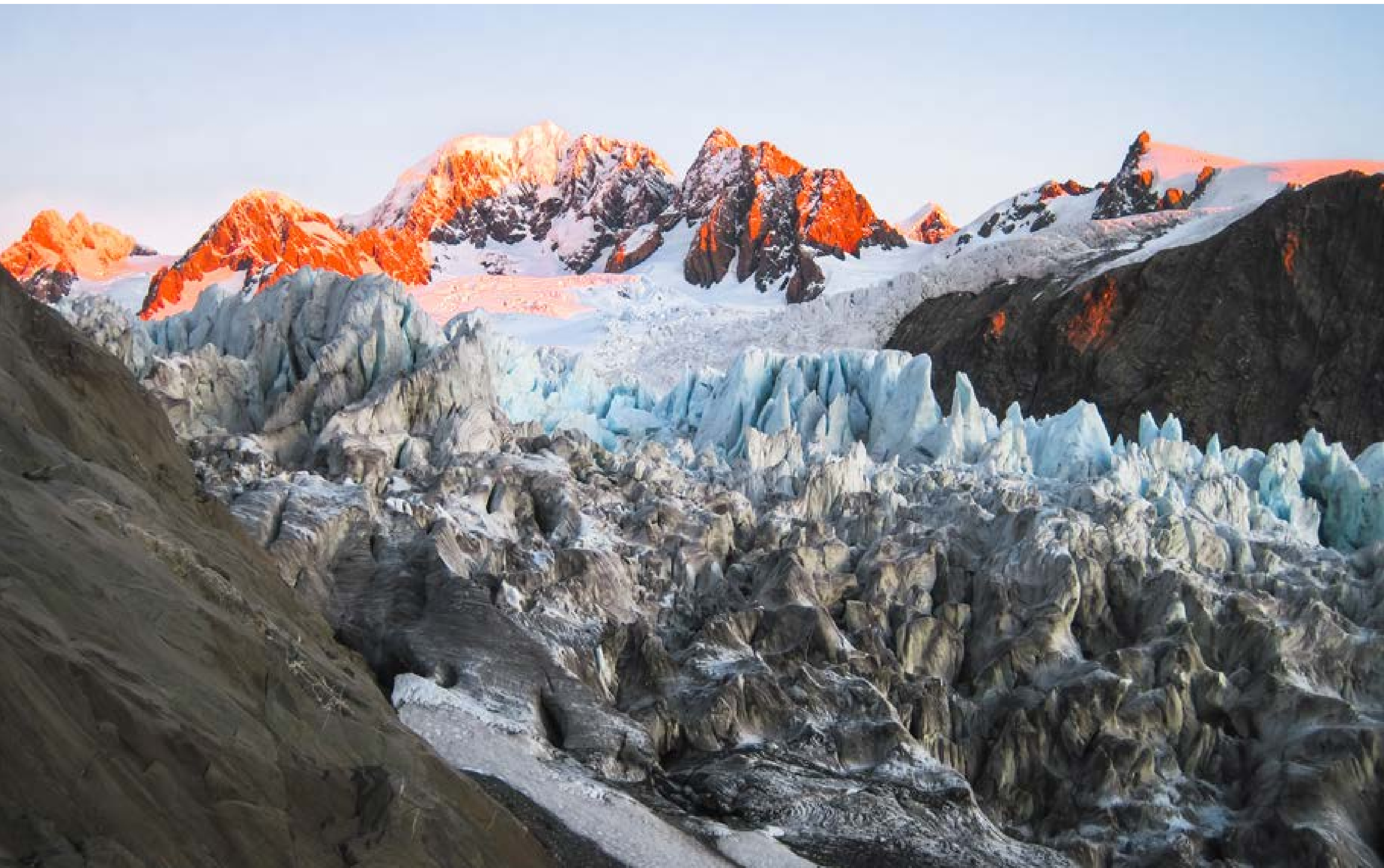
It is important to realise that no-one can predict every event that may affect investments. To varying degrees, the underlying assets of the Funds will be subject to market volatility and overall returns may be negative from time to time.

Returns are not guaranteed, and you may get more or less than the total amount contributed when you leave the Funds.

How risks described in the Product Disclosure Statement (PDS) are broken down

The risks described in the PDS are broken into:

- general investment risks that may cause a Fund's Risk Indicator to move up and down; and
- other specific risks that we are aware of or are likely to arise that increase the risk to investors' returns, other than circumstances that are already reflected in the risk indicator.



General investment risks

Investment risk is the risk of negative or lower-than-expected returns. Risk and returns vary, depending on the type of investment. Generally, the level of risk is related to the potential return from the investment. Lower-risk investments, such as cash and fixed interest (known as 'income assets'), typically provide more consistent, yet lower, returns. Higher-risk investments, such as shares and property (known as 'growth assets'), have the potential to fluctuate significantly in value, with a greater possibility of negative return. Generally, a Fund with a higher allocation to growth assets has the potential for higher returns over the long-term than a Fund with a higher allocation to income assets.

Underlying assets held by each Fund will rise and fall in value, and returns may be negative from time to time. Depending on market movements and the length of time that you have invested, it is possible that you may receive less than your initial investment on withdrawal.

As set out in Section 4 of the PDS, different types of risk contribute to investment risk. The examples that follow are believed to be the key investment risks that apply to the Funds.

Risk	Description	Impact of the risk	How we mitigate these risks
Market risk	Returns will fluctuate as a result of changes in market conditions. These conditions include, but are not limited to, economic (including interest rate and inflation) and regulatory settings, political events, environmental and technological issues. Growth assets (such as shares and property) generally involve a greater level of market risk than is the case for income assets (such as fixed interest and cash).	For growth assets: • prices may drop or even fall to zero; or • dividends may not be paid. For income assets: • interest rates may increase; or • the ability of the issuer may to pay interest or repay principal may reduce. The above scenarios would have a negative impact on the value of the assets in a Fund.	The underlying funds invest in a diverse range of industries, companies, issuers, and countries. Because the underlying funds invest in multiple asset classes, losses from one asset class may well be offset by investment gains from another. Underlying fund managers may take positions that are different to the target investment mix depending on how they believes each asset class is likely to perform.
Currency risk	The value of an investment will fluctuate as a result of changes in foreign exchange rates.	For example, in the case of the NZD underlying funds, investments denominated in foreign currencies will fall in value if the New Zealand dollar strengthens against those currencies, all other things being equal.	To varying extents, a portion of the foreign currency exposure is hedged, such that changes in foreign exchange rates will have less impact on the base-currency value of the underlying funds.
Active management risk	The active decisions taken by the underlying managers may impact on returns. This includes taking positions that are different to the target investment mix and, where applicable, country, sector and security selections.	The positioning and/or selection decisions taken by the underlying managers may result in returns lower than those arising from the target investment mix and passive asset class management.	We have used a world class investment organisation that offers best-in-breed diversified funds utilising its expertise in portfolio construction, dynamic asset allocation and fund manager selection.
Liquidity risk	The Funds may experience difficulty in either realising assets or otherwise raising sufficient funds to satisfy financial obligations. Low liquidity means it may not be possible to sell assets at the desired time at fair value.	The inability to sell assets or otherwise raise funds may mean that it wouldn't be possible to make payments, such as withdrawals, or effect switches.	In general, the underlying funds invest into highly liquid securities. Due account is taken of factors such as: • the quality of the issuer; • the size of the issue; and • the proportionate size of the investment being made

Other general risks

Some or all of the following risks may also affect the value of your investment. The table below sets out the other risks that may affect any of the Funds.

Risk	Description	Impact of the risk	How we mitigate these risks
Loss of ROPS status	The Scheme could lose its ROPS status at any time.	If ROPS status is lost, a Member's UK tax implications may change in relation to their investment in the Funds and/or future transfers.	We proactively comply with the Scheme's ROPS reporting obligations. We actively monitor new developments in the regulatory environment.
UK tax risk	A transfer or withdrawal of UK Pension Transfer Money may give rise to liability for UK tax.	Until you have been a UK tax non-resident for ten complete UK tax years (the UK tax year runs from 6 April to 5 April) any withdrawals or transfers you make from the Funds could potentially be liable to UK tax.	We proactively comply with the Scheme's tax obligations and actively monitor new developments in the regulatory environment. We also recommend that Members seek tax advice from suitably qualified and experienced tax advisers.
Operational risk	A technological, process, or other failure affecting the Scheme or the financial markets in general.	This could impact on your returns or the ability to withdraw from Funds.	We outsource some key administration functions to Adminis. Adminis has a risk-management framework that encompasses a business continuity plan. The plan is designed to minimise the period of business disruption caused by these unforeseen events and to address failures effectively.
Regulatory risk	The Scheme may be affected by future changes to tax, superannuation or other legislation.	These changes could affect the Funds by impacting on the operation of the Scheme, returns, and benefits available.	We actively monitor new developments in the regulatory environment. We regularly liaise with other market participants and regulators to gauge market sentiment for change.
Fund-of-funds risk	The Funds invest in other, underlying funds. An underlying fund manager may close its investment fund without notice, or on limited notice.	The decision made by the underlying fund managers (for example, to suspend or defer withdrawal requests in certain circumstances) will have an impact on your ability to withdraw, transfer to another scheme, or switch between Funds. It may result in investments being held in cash, pending the replacement of the underlying fund. Similarly, an underlying fund may close its investment funds to new applications, resulting in investment also being held in cash.	We use experts to monitor and review the investment performance, compliance, and contractual arrangements of the underlying funds. When selecting an underlying fund, we use experts that carry out a strict due diligence and approval process on the fund and on its underlying managers. All incumbent external underlying funds and the managers of those funds are subject to ongoing review. We also use investment research and other tools to provide recommendations on underlying funds and the managers of those funds, where applicable.
PIE status risk	The Funds may lose their status as Foreign Investment Variable-Rate PIEs.	If a Fund loses its Foreign Investment Variable Rate PIE status, then that Fund will be taxed as a 'normal' PIE and the tax treatment of NFIs will differ accordingly.	We proactively comply with the Scheme's tax obligations and actively monitor new developments in the regulatory environment.
Service-provider risk	The parties involved in the operation of the Funds may fail to perform their obligations	Any failure or non-performance by parties involved in the operation of the Scheme could have an adverse effect on the Funds and your ability to make a transfer or withdrawal.	We actively monitor and review the performance of our providers to ensure compliance with contractual arrangements

6 Fees and others charges

Introduction

The information in this section explains the fees and other charges involved if you are a Member of the Funds. We charge fees and recover expenses to cover administration of your Personal Account, the Funds, and costs associated with the professional management of your investments. Other fees and expenses that may be payable are also detailed in this section.

Annual fund charges

The total annual fund charges for the Funds are described in the PDS. The amount of the total annual fund charges comprises management and administration charges, which include:

(a) The Manager's basic fee, which covers:

a. Supervisor fees;
b. Administrator fees;
c. Custody fees;
d. Audit fees.

(b) Investment management fees;

Manager's basic fee

The Manager's basic fee covers the costs of the Supervisor of the Scheme, the Administration Manager, and other general administration costs (e.g., accounting, audit, and regulatory compliance costs) of your membership of the Funds.

The administration fee is calculated daily in the currency of the Fund as a percentage of the value of your Personal Account invested in each Fund. It is deducted from the Fund on the last business day of the month and paid to us. Its reflected in the value of your Personal Account invested in the currency of that Fund.

Investment management fee

We charge fees for investment in the underlying investment funds.

These fees are calculated daily in the currency of the Fund as a percentage of the value of your Personal Account invested in each Fund. These fees are reflected in the value of your Personal Account in the currency of that Fund.

Basis of estimates for Annual Fund Charges in the PDS

The annual fund charges include best estimates of the amount of costs and expenses that will be charged by the Funds. These have been estimated as a percentage of the Funds' net asset values and include both expenses incurred by the Funds and fees charged by the managers of the underlying funds in which the Funds invest.

The estimated amounts are set out in the PDS, available on the offer register at www.disclose-register.companiesoffice.govt.nz.

There are currently no limits on the amount of the expenses and costs that may be reimbursed to us from the assets of the Funds. However, i-Select does not currently charge separately for expenses incurred in the administration and management of the Funds over and above the fee shown in the PDS.

Buy and sell spread

Buy and sell spreads are designed to ensure, as far as practicable, that any transaction costs incurred as a result of a Member applying to invest in, or withdraw from, a Fund are borne by that Member and not by other existing Members invested in that Fund. The buy and sell spreads charged by i-Select are based on the buy and sell spreads charged by the underlying funds and therefore reflect the transaction expense associated with the purchasing and selling of assets within each Fund. The buy and sell spread is not paid to us, and we do not receive any benefit from it.

The buy and sell spread is subject to change at any time if the buy or sell spreads charged by the underlying funds change. You can find the latest buy and sell spreads on our website https://www.i-select.co.nz/.

Individual Action Fees

Individual action fees are fees charged on an individual basis for investor-specific decisions or actions.

Exit fees

If you take lump sum withdrawals of more than 30% of your contributions to the Funds within the first two years, exit fees may apply. Exit fees are calculated on the withdrawal of amounts in excess of 30% of the amounts contributed at the following rates:

- 2.5% on withdrawals within the first 12 months;
- 1.25% on withdrawals within the second 12 months.

Lump sum withdrawals do not include annual income amounts paid calculated using the i-Select Income For Life Calculator located at www.i-select.co.nz/calculator

Financial adviser fees

We will pay any fees that you agree with your financial adviser out of your Personal Account. In some cases, this will be at the outset of your investment, prior to the purchase of any units in a Fund, and in other cases this may be paid by the cancellation of units in the Fund in which you are invested. We do not receive any benefit from the fees that are agreed between you and your financial adviser.

Financial adviser fees may include:

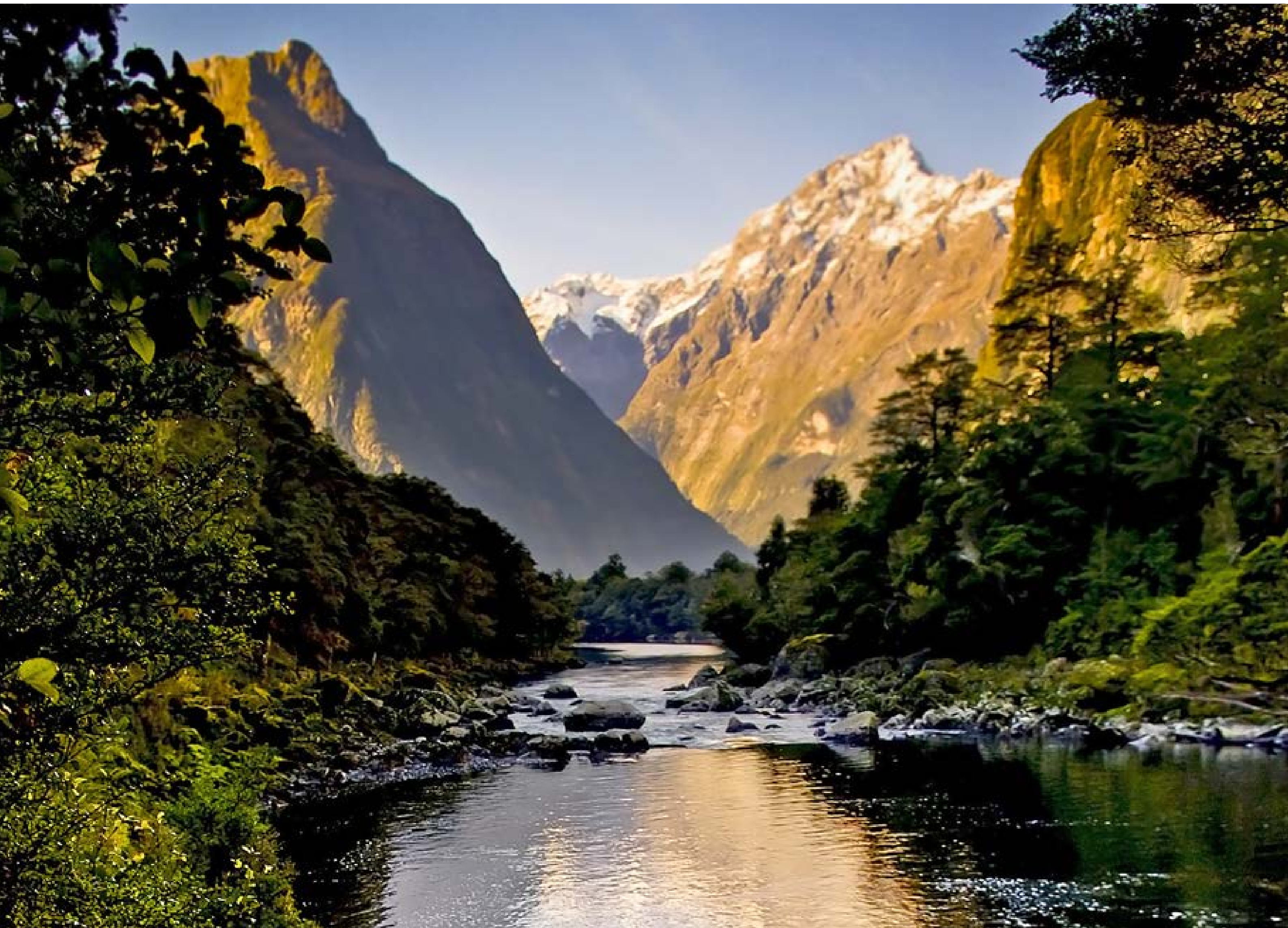
- Pension transfer advice fees – for advice on the transfer
- Pension transfer implementation fees – for implementation of the transfer itself
- Ongoing monitoring fees – for ongoing monitoring of your investment

How does tax affect these fees?

All fees are disclosed on an before GST basis. GST will be added to fees and may be included in some expenses where applicable.

Changes to fees

We can change fees from time to time. We can also add new fees. We may waive or decrease a management fee without notice. We may increase the management fee, or start charging additional fees, by giving you at least three months' prior notice. The rules about fee changes are in the Trust Deed, which can be found on the scheme register at www.disclose-register.companiesoffice.govt.nz.



7 Glossary

Administration Manager means the person appointed by the Manager to carry out registry, fund accounting and valuation services for the Funds. The Funds' current Administration Manager is Adminis.

Auditor means the person appointed as auditor of the scheme from time to time. The auditor must be a qualified auditor under the FMCA. The Scheme's current Auditor is BDO Christchurch.

Defined Benefit Scheme means a type of pension scheme where members' benefits are determined by reference to factors such as length of service and salary history rather than contributions and investment performance. Defined benefit schemes are sometimes also referred to as 'final salary' schemes.

Defined Contribution Scheme means a type of pension scheme where members' benefits are determined by the level of contributions from members and/or their employers and investment performance up until the time that benefits are taken. Defined contribution schemes are sometimes referred to as 'money purchase' or 'accumulation' schemes.

Disclosure Documents means the information about registered offers that must be disclosed in a Product Disclosure Statement and on the Disclose Register (www.disclose-register.companiesoffice.govt.nz). Together, this information must include all material information about the offer of a financial product and be up-to-date, accurate and understandable. The purpose of the information is to assist investors with their investment decisions.

Double Taxation Agreement means a bi-lateral agreement made between two countries to resolve issues involving double taxation of passive and active income. They generally determine the amount of tax that a country can apply to a taxpayer's income, capital, estate and wealth.

Equities or Shares means stocks and shares of a company that usually carry no fixed interest, but which may pay dividends. They represent a share of the value of the company.

ESCT or **Employer Superannuation Contribution Tax** means the tax that must be deducted from a New Zealand employer when they make contributions to a superannuation scheme for the benefit of an employee.

FMA or **Financial Markets Authority** means the Financial Markets Authority, New Zealand's financial markets conduct regulator. The Scheme is registered with and regulated by FMA.

FMCA means the New Zealand Financial Markets Conduct Act 2013 whose main purpose is to promote the confident and informed participation of businesses, investors and consumers in the financial markets, and to promote and facilitate the development of fair, efficient and transparent financial markets.

FMCR means the New Zealand Financial Markets Conduct Regulations 2014 which sets out detailed rules and regulations for the management of financial products and its participants deemed necessary by the FMCA.

Flexi-Access means the ability of a member of a UK pension to drawdown on benefits in any amount up to the full amount of the fund whilst the pension fund remains invested.

Foreign Investment Variable Rate PIE means a Portfolio Investment Entity that invests contributions from investors in different types of investments. Individuals that are not tax resident in New Zealand and who are Notified Foreign Investors can be taxed at 0% on foreign income, and at reduced non-resident withholding rates on New Zealand sourced income. Unlike Foreign Investment Zero Rate PIEs, they are not restricted to foreign investments.

Funds means the investment funds that are the subject of this OMI and the PDS, currently being the AUD Balanced Fund (denominated in Australian dollars), the GBP Balanced Fund (denominated in Pounds Sterling), the NZD Conservative Fund (denominated in New Zealand dollars), the NZD Balanced Fund (denominated in New Zealand dollars), and the NZD Growth Fund (denominated in New Zealand dollars).

Governing Legislation means as appropriate, all laws and regulations applicable to us (including compliance by us with the terms of our licence under the FMCA as a manager of managed investment scheme), the Supervisor, and the Scheme at applicable points in time, and which may include without limitation, the Financial Markets legislation and methodologies or frameworks issued by the FMA under the financial markets legislation.

HMRC means His Majesty's Revenue and Customs, which is the department of the UK Government charged with assessing and collecting tax.

Income for Life means the amount of annual drawings permitted by the Scheme from the age of 55 (57 from 6 April 2028) out of UK Pension Transfer Money without exit penalty. It is based on life expectancy tables and long-term growth rates.

IRD means the New Zealand Inland Revenue Department, which is the department of the New Zealand Government charged with assessing and collecting tax.

i-Select, we, us, our and the **Manager** means i-Select Limited, the manager of the Funds within the i-Select PIE Superannuation Scheme.

LTA or **Lifetime Allowance** means the limit on the amount of pension income or lump sum benefit that can be drawn from UK pension schemes without triggering an extra tax charge.

Member means a person who has joined the Funds.

Mercer means Mercer (N.Z.) Ltd, part of a group of companies that is collectively the world's largest institutional investment advisor, with over US$10 trillion under advice.

NFI or **Notified Foreign Investor** means a class of investor that is not tax resident in New Zealand that has elected to be an NFI. They are not taxed on foreign income derived by the Funds and are taxed at reduced rates of tax on New Zealand sourced income.

Other Contributions means the part of your Personal Account that is not your UK Pension Transfer Money.

OTA or **Overseas Transfer Allowance** means the amount that may be transferred without the Overseas Transfer Charge applying. It is linked to the threshold that used to apply for the Lifetime Allowance.

OTC or **Overseas Transfer Charge** means the tax charged by HMRC on UK pension transfers out of the UK regulated pension market in excess of the OTA or where one of a number of exemptions do not apply.

Permanent Early Retirement means the permanent retirement of a Member from business and employment between the ages of 60 and 65.

Permitted Withdrawals means the withdrawals Members become entitled to from their Personal Account under the Superannuation Scheme Rules and the Trust Deed.

Personal Account means the Member's account in the Funds. The value of the account is the value of the Member's investments in the Funds, plus the value of any cash held on account of the Member, minus any liabilities such as unpaid tax and accrued fees and expenses.

PIE or **Portfolio Investment Entity** means a qualifying tax entity that will generally pay tax on investment income based on the prescribed investor rate (PIR) of its investors, rather than at the entity's tax rate.

PIR or **Prescribed Investor Rate** means the rate chosen by an investor at which their share of a Fund's investment income is taxed.

Risk Indicator means the number between 1 (low risk) and 7 (high risk) given to an investment reflecting how much the value of the investment goes up and down (its volatility). A higher risk generally means higher potential returns over time, but more ups and downs along the way.

ROPS or **Recognised Overseas Pension Scheme** is a designation for retirement savings schemes under UK tax law. Retirement savings schemes that are ROPS may receive pension transfers from registered pension schemes in the UK and also transfers of UK pension funds from other ROPS. These transfers are subject to certain restrictions on payments made from the amounts transferred.

Scheme or **i-Select PIE Superannuation Scheme** means the i-Select PIE Superannuation Scheme as a whole, which is a registered managed investment scheme.

Serious Illness means an injury, illness or disability that results in a Member being totally and permanently unable to engage in the work for which they are suited by reason of experience, education or training, or one that poses a serious and imminent risk of death.

Significant Financial Hardship means financial difficulties that result from a Member not being able to meet minimum living standards, pay a mortgage, make life changes required following injury or illness, pay medical expenses or obtain care or other treatment, or pay for the funeral of a dependent.

SIPO means the Statement of Investment Policy and Objectives for the Scheme

Superannuation Scheme Rules means Schedule 12 of the FMCR which, together with the Trust Deed, define Permitted Withdrawals.

Supervisor means the person who is the supervisor of the Scheme from time to time. Public Trust is the Scheme's current Supervisor.

Switch means a reallocation of your investment money between the Funds within the scope of this OMI and the PDS.

Tax File Number means a personal reference number given by a tax authority to identify that person within a country or territory's tax regime.

Transitional Resident means a 48-month wide-ranging tax exemption on most foreign sources of investment income given in New Zealand for new or qualifying-returning residents.

Transition to Retirement means the period of time between the ages of 55 and 65 that a Member may take benefits from Other Contributions under the rules set out in the Superannuation Scheme Rules of the FMCR.

Trust Deed means the trust deed which governs the Scheme, as amended and restated from time to time.

UK Pension Transfer means the transfer of UK Pension Transfer Money to the Funds from a UK registered pension scheme, or from another ROPS.

UK Pension Transfer Money means pension monies that originally derive from UK pension schemes which have benefited from UK tax relief, and investment gains/losses on that money.

Uncrystallised Pension Lump Sum means a way of taking pension benefits from a UK registered pension scheme without going into drawdown, using Flexi-Access or by buying an annuity.