Effective from 13 August 2020

Other material information

Garrison Bridge Superannuation Scheme

This document gives you important information about the Garrison Bridge Superannuation Scheme (**scheme**).

You should read this document in conjunction with the product disclosure statement and other information contained in the offer register, available at disclose-register.companiesoffice.govt.nz (Click 'Search Offers' and search for 'Garrison Bridge Superannuation Scheme').

Contents

1. What are the risks of investing

The following information outlines the general investment risks and other relevant risks which may cause a fund's value to move up and down. Lifetime Asset Management Limited (**we**, **us**, and **our**) decide which risks are significant by considering how likely the unwanted event is and what effect it might have if it happens.

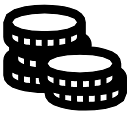
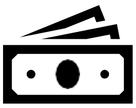
You should consider the information set out below and talk to an authorised financial adviser if you need more information.

You can find an authorised financial adviser in your area on the Financial Service Providers Register at https://fsp-register.companiesoffice.govt.nz.

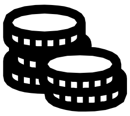
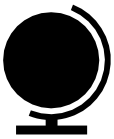
General investment risks

Risk	Description	Impact	How we mitigate

Market risk	Risk that an asset's or an asset class' market value may change due to a number of factors. These can include changes in the economy, the performance of individual entities, the regulatory environment, investor sentiment, political events, inflation, and interested and currency exchange rates.
	
	The level of market risk a fund is exposed to depends on the asset classes it invests in. For example, equity assets are considered to be more risky than cash and cash equivalents and fixed interest assets.
		If a company a fund invests in performs poorly:
		• For equity assets,
		  ○ share or unit prices may drop below the purchase price or even to zero, and;
		  ○ Dividends may not be paid
		• For cash and cash equivalents and fixed interest assets, the issuer may not be able to pay interest or repay principal.
		
		The above scenarios will have a negative impact on the value of the assets in a fund.
		
		For fixed interest assets and also some cash and cash equivalents, the value of the assets in a fund will also fall if:
		• Interest rates in the market increase.
		• The credit worthiness of the issuer decreases.
			Our funds invest in assets in a wide range of industries, companies, issuers, and countries.
			
			Because our multi-asset class funds invest in multiple asset classes, poor performance by a single asset class has less impact on your investment. In addition, investment losses from one asset class may well be offset by investment gains from another.

Risk	Description	Impact	How we mitigate
Currency risk 	Risk of changes in currency exchange rates. Assets denominated in foreign currencies face currency risk.	For a fund with foreign currency exposure, if the base currency of the fund: • Falls in value against a given foreign currency, all else being equal, the base currency of the fund value of the fund will increase • Increases in value against a given foreign currency, all else being equal, the base currency of the fund value of the fund will fall.	Passively Managed Investment Funds • We have selected underlying investment funds that are 100% hedged to their base currency. Actively Managed Investment Funds • We have decided not to hedge the actively managed investment funds as part of their investment strategy to potentially generate investment returns on foreign currency movement.
Liquidity risk 	Risk that an asset cannot be sold at the desired time (and at recent market value).	A fund holding an illiquid asset may impact your ability to withdraw, transfer or switch your investment. Liquidity risk may be increased where we receive a large volume of withdrawals.	In general, we invest each asset class in the most liquid assets available through exchange traded funds.
Operational risk 	Risk of inadequate or failed internal processes, people and/or systems or from external events	An operational failure could result in us being unable to manage the assets of the fund effectively, which may negatively impact the performance of a fund.	We have strong internal controls and procedures to mitigate the risk of operational failures. We also outsource investment management and registry services to leading providers.
Regulatory risk 	Risk of changes to tax, and other legislation or regulations	A legislative or regulatory change may affect the returns and benefits that you receive. For example, a change to the age at which New Zealand Superannuation is paid may affect when you can withdraw from retirement savings.	We regularly liaise with our regulators and are consulted on certain legislative changes. We notify members of material changes to legislation as soon as practicable.

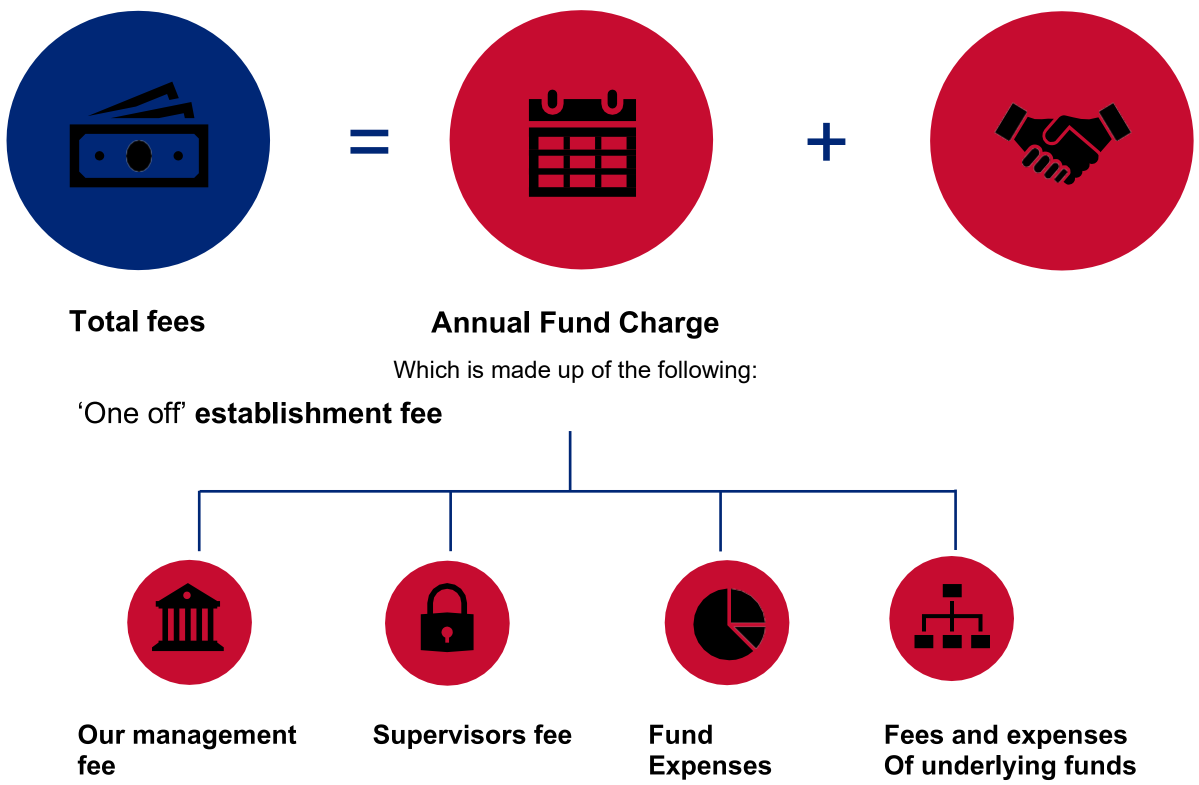
Specific risks

Risk	Description	Impact	How we mitigate
Losing QROPS status risk 	The scheme could lose its Qualifying Recognised Overseas Pension Scheme (**QROPS**) status at any time. If QROPS status is lost, a member's UK tax implications may change in relation to their investment in the scheme and/or future transfers.	If QROPS status is lost, a Member's UK tax implications may change in relation to their investment in the scheme and/or future transfers.	We proactively comply with the QROPS obligations and actively monitor new developments in the regulatory environment. We notify members of material changes as soon as practicable.
Currency risk (contributions and withdrawals) 	If you make contributions in a currency other than the currency of the fund you've chosen, or you expect the scheme to pay a withdrawal in a currency other than the currency of the fund you've invested in, your money will be exchanged at the prevailing exchange rate. The change in currency may be significant and you may also incur significant bank fees.	The value of your contribution or withdrawal could fall in value against a given foreign currency or increases in value against a given foreign currency all else being equal if there is a change in the prevailing exchange rate.	We invest contributions and process withdrawals as soon as practicable using the prevailing exchange rate.
UK tax risk 	If you transfer UK pension money to the scheme, a transfer or withdrawal of that UK pension money gives rise to your liability for UK tax on that withdrawal.	A UK tax penalty may result if the amount includes UK pension money transferred: • Before 6 April 2017 and you have not been a UK tax non-resident for five clear and complete UK tax years (the UK tax year runs from 6 April to 5 April); or • On or after 6 April 2017 and you have not been a UK tax non-resident for ten clear and complete UK tax years and the transfer amount has not been invested in a QROPS for five years. This may be significant – up to 55% of the withdrawal of transfer amount. There is also a risk that, if you have transferred money from a UK pension fund to the scheme on or after 9 March 2017 and the transfer was exempt from the UK overseas transfer charge, you may be required to pay the charge in the future if your circumstances change during the first five clear and complete UK tax years.	We proactively comply with the scheme's tax obligations and actively monitor new developments in the regulatory environment.

Risk	Description	Impact	How we mitigate
		Following the transfer (for example, if you no longer meet the tax residency requirement). The amount of the charge may be up to 25% of your UK pension transfer money under current law.	
Zero-rate PIE status risk	The non-NZD denominated funds have elected to be a foreign investment zero-rate PIE. There is a risk that the funds could lose their status.	If a fund loses its investment zero-rate PIE status, then that fund will be taxed as a foreign investment variable-rate PIE whereby the tax treatment of notified foreign investor unitholders and transitional resident unitholders will differ accordingly.	We proactively comply with the scheme's tax obligations and actively monitor new developments in the regulatory environment.

2. What are the fees

The following diagram illustrates the fees you will pay as a member of the scheme, and how these fees are made up.



Annual fund charge

The annual fund charge:

- is made up of our management fee, the supervisor's fee, fund expenses, and fees and expenses of underlying funds;
- is calculated as a percentage of the net asset value (**NAV**) of the fund;
- includes GST where applicable,
- is calculated daily and will reduce a fund's unit price (so you will not see the annual fund charge on your annual statement).

Lifetime has elected to impose a
cap on its annual fund charges. Therefore the annual fund charge set out in the table below is the most you will pay. However, the actual annual fund charge you pay may be lower than these amounts because, when calculating the cap, we estimated the most we expect to pay for the supervisor's fee, expenses of the funds, and fees and expenses of underlying funds. Lifetime will bear the cost of any charges to the extent the cap is exceeded.

The current maximum annual fund charges are shown in the table below.

Fund	**Estimated Annual fund charge** (percentage of NAV of the fund)
NZD Conservative Fund	1.09%
NZD Growth Fund	1.09%
AUD Balanced Fund	1.19%
GBP Conservative Fund	1.14%
GBP Growth Fund	1.29%
GBP Moderate Active Fund	2.39%
GBP Balanced Active Fund	2.39%
GBP Growth Active Fund	2.39%

Our management fee

We charge a management fee for our services in administering and managing the investments of the scheme.

Our management fee is a percentage of the NAV of each fund. We pay investment costs (i.e. buy/sell fees) out of our management fee. Investment costs are costs that come about as a result of an investment or divestment by a fund.

The management fee is included in the annual fund charge shown above.

Fund	**Annual management fee** (percentage of NAV of the fund)
NZD Conservative Fund	0.39%
NZD Growth Fund	0.39%
AUD Balanced Fund	0.39%
GBP Conservative Fund	0.40%
GBP Growth Fund	0.43%
GBP Moderate Active Fund	0.44%
GBP Balanced Active Fund	0.44%
GBP Growth Active Fund	0.44%

The supervisor's fee

Public Trust charges an annual fee for overseeing the scheme and for holding the scheme's assets. Public Trust is paid quarterly in arrears.

Public Trust's annual fee is 0.05% of the fund's NAV (calculated on a daily basis).

Fund expenses

We recover expenses that are incurred on behalf of the scheme or individual funds (i.e. registry, audit, Financial Market Authority, legal fees and custodian fees). Each fund is charged 0.50% of its NAV (calculated on a daily basis) for its share of these expenses.

The expenses we can recover are set out in the governing document for the scheme.

The actual expenses vary each year. Currently, you won't be charged more than 0.50% of NAV for fund expenses each year.

We regularly review the actual expenses incurred against the fund expenses charged to members to ensure they remain appropriate.

Fees and expenses of underlying funds

All our funds invest in underlying funds that charge fees and expenses (including investment or other charges).

We recover expenses that are incurred on behalf of the underlying funds. We've estimated these fees and expenses to be:

Fund	**Underlying Fund expenses** (percentage of NAV of the fund)
NZD Conservative Fund	0.20%
NZD Growth Fund	0.20%
AUD Balanced Fund	0.30%
GBP Conservative Fund	0.24%
GBP Growth Fund	0.36%
GBP Moderate Active Fund	1.45%
GBP Balanced Active Fund	1.45%
GBP Growth Active Fund	1.45%

We regularly review the actual underlying fund fees and expenses incurred against the underlying fund fees and expenses charged to members to ensure they remain appropriate.

Establishment fee

We charge you a 'one-off' establishment fee when you join the scheme for the first time. It will be deducted from your account once you've joined the scheme and paid to us. The amount of the establishment fee is showing in the below table.

Fund	'One-off' establishment fee
NZD Conservative Fund	$495
NZD Growth Fund	$495
AUD Balanced Fund	$495
GBP Conservative Fund	$495
GBP Growth Fund	$495

Fund	'One-off' establishment fee
GBP Moderate Active Fund	£495
GBP Balanced Active Fund	£495
GBP Growth Active Fund	£495

If you're invested in more than one fund, the 'one-off establishment fee will be based on the fund of the lowest fee and will be deducted from the fund with the highest balance.

You cannot claim further personal tax deductions on the establishment fee, because we include the amount of these fees when we calculate your share of the scheme's taxable income.

We can change the establishment fee provided we notify Public Trust.

Estimation of fees and expenses

In determining the annual fund charge, we estimate the following components:

- fund expenses, and
- fees and expenses of underlying funds.

The fund expenses are estimated to be the maximum percentage that can be charged each year under the current caps on expense recovery we have set.

The fees and expenses of underlying funds are estimates of what we expect the fees and expenses to be. We estimate what the fees and expenses will be by considering the previous and expected fees and expenses, and the previous and expected growth in funds under management.

For all two components, we perform regular reconciliations of the actual fees and expenses incurred against what we estimated them to be.

Other things to know about charges

We don’t currently charge a fee to leave our funds, or to switch funds.

GST, where it applies, has been included in the figures given in this document.

We can change fees from time to time, and can introduce new fees provided we notify Public Trust. We can also agree to reduce fees for some groups of members under certain circumstances. We won't increase the fee cap for the annual fund charge. If we increase any other fees or introduce new fees, we will let you know.

3. Who is involved?

Manager

Lifetime Asset Management Limited is licensed under the Financial Markets Conduct Act 2013 as a manager of registered schemes.

More information about our licence, including its conditions, can be obtained at the Financial Service Providers Register at companiesoffice.govt.nz/fsp (search for ‘Lifetime Asset Management Limited’).

We are the manager of the scheme and responsible for the management and administration of the scheme. We carry out functions such as those set out in:

- the Financial Markets Conduct Act 2013
- the applicable governing document
- the statement of investment policy and objectives (**SIPO**), and
- any other applicable legislation.

A current list of our directors is available online at companiesoffice.govt.nz/companies (search for 'Lifetime Asset Management Limited').

Supervisor

Public Trust is the supervisor of the scheme. Public Trust is a statutory corporation and Crown entity established and constituted in New Zealand on 1 March 2002 under the Public Trust Act 2001. They supervise how we run the scheme, for the benefit of you and other members.

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 2023.

More information about the supervisor's licence, including its conditions, can be obtained at the Financial Service Providers Register at companiesoffice.govt.nz/fsp (search for 'Public Trust').

A current list of the supervisor's board members is available online at https://www.publictrust.co.nz/about/our-team/public-trust-board

Custodian

Adminis Custodial Nominees Limited is the custodian for the scheme.

As the custodian, they hold the scheme's assets 'in trust' for you, entirely separate from our assets.

Registry

Adminis NZ Limited maintains the register for the scheme.

Auditor

PwC is the auditor of the scheme.

4. What conflicts exist?

A conflict of interest means a financial or any other interest, a relationship, or any other association of Lifetime or of a relevant person that would, or could reasonably be expected to, materially influence the investment decisions of Lifetime in respect of the scheme.

For the purpose of the Financial Market Conduct Act 2013 no conflicts of interest currently exist, or are likely to arise in the future.

More information about conflicts, can be obtained on the offer register at disclose-register.companiesoffice.govt.nz (click 'search offers' and search for ‘Garrison Bridge Superannuation Scheme’).

5. Tax

Foreign investment zero-rate portfolio investment entity

The non-New Zealand dollar denominated funds have elected to be a foreign investment zero-rate portfolio investment entity (**PIE**). As a result, certain non-resident and transitional resident members will each be able to elect to have a 0% prescribed investor rate (**PIR**).

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

A transitional resident is a new migrant or returning New Zealander who has not been resident for tax purposes in New Zealand for at least ten-years prior to their arrival in New Zealand. A one-off four-year temporary tax exemption on foreign investment income is available to transitional residents. If this may apply to you, you should consult your tax adviser.

Transitional residents should advise us once their four-year temporary tax exemption is about to expire, and elect a new PIR to apply to their changed circumstances.

In order to qualify for the 0% PIR as a notified foreign investor (as defined in the Income Tax Act 2007), if you are a non-New Zealand resident, 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 Commissioner of 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 a notified foreign investor 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. Tax losses or tax credits allocated to the funds are not available to notified foreign investor unitholders and transitional resident unitholders with a 0% PIR.

United Kingdom pension transfers

United Kingdom pension money transferred to the scheme from United Kingdom pension funds or other registered superannuation schemes are subject to withdrawal restrictions to ensure the scheme complies with United Kingdom QROPS requirements. QROPS requirements and restrictions may change from time to time to meet United Kingdom requirements.

Money transferred from United Kingdom pension funds to the scheme won't qualify for withdrawal benefits earlier than they would have, if pension rule 1 in section 165 of the Finance Act 2004 (UK) applied, currently age 55, except in the circumstances of ill health.

We may agree with the scheme manager of the pension fund from which a member's United Kingdom transfer money are to be transferred to impose such other terms and conditions on the member's United Kingdom transferred money. We may impose such other terms and conditions on the member's United Kingdom transferred money as we may determine as being necessary or desirable or in the interests of the relevant member or the scheme.

Any withdrawals or transfers a member makes from the scheme may result in a United Kingdom tax penalty for which the member is solely liable if the amount includes United Kingdom pension transfer money transferred:

- before 6 April 2017 and the member has not been a United Kingdom tax non-resident for five clear and complete United Kingdom tax years (the United Kingdom tax year runs from 6 April to 5 April); or
- on or after 6 April 2017 and the member has not been a United Kingdom tax non-resident for ten clear and complete United Kingdom tax years and the transfer amount has not been invested in a QROPS for five years.

This may be significant - up to 55% of the withdrawal or transfer amount.

In addition, money transferred from a United Kingdom pension fund to a QROPS such as this scheme on or after 9 March 2017 may be subject to a United Kingdom overseas transfer charge of 25%. A member will be exempt from this United Kingdom overseas transfer charge so long as the member is a New Zealand tax resident when the transferred amount is received by the scheme. The member may be required to pay the charge in the future if their circumstances change during the first five clear and complete United Kingdom tax years (the United Kingdom tax year runs from 6 April to 5 April) following the transfer (for example, they no longer meet the tax residency requirement) or an onward transfer is made and that transfer does not fall within any of the applicable exclusions (e.g. the member is not resident in the country in which the receiving scheme is established). We may be required to deduct the charge from the member's investment in the Scheme and pay it to HMRC on the member's behalf.

The United Kingdom overseas transfer charge also arises on transfers requested on or after 9 March 2017 if the member has not provided us with all the required prescribed information before the transfer is made.

There is a risk that if a member has transferred money from a United Kingdom pension fund to the scheme on or after 9 March 2017 and the transfer was exempt from the United Kingdom overseas transfer charge, they may be required to pay the charge in the future if their circumstances change during the first five clear and complete United Kingdom tax years following the transfer (for example, they no longer meet the tax residency requirement). The amount of the charge may be up to 25% of a member’s United Kingdom pension transfer money.

The scheme could lose QROPS status at any time and neither we nor the supervisor represent that the scheme will continue to have QROPS status. If QROPS status is lost, a member’s United Kingdom tax implications may change in relation to their balance in the scheme and/or future transfers. To confirm whether the Scheme has QROPS status at any time, and the requirements and restrictions relevant to that status, members should contact us.

We are not United Kingdom tax advisers and recommend that members seek professional tax advice regarding their individual circumstances.

6. Withdrawals

How can you get your money out?

The Scheme is designed to help you save for your retirement. It is also a QROPS which means it can accept money transferred from United Kingdom pension funds. The circumstances in which you are able to make a withdrawal are different for money transferred from a United Kingdom pension fund including any investment return or loss on that money (**United Kingdom Pension Transfer Money**) than for other contributions and transfers you make to the Scheme (**Other Contributions**). Generally you can't withdraw your money until the earlier of the date you turn 55 in the case of United Kingdom Pension Transfer Money, and in the case of Other Contributions:

a) **End Payment Date** - when you reach the NZ superannuation qualification age (**NZQA**) (currently 65)
b) **Early Retirement** - when you reach an age that is 5 years before the NZQA and Public Trust is reasonably satisfied you've permanently retired from business or employment
c) **Transition to Retirement** - when you reach an age that is 10 years before the NZQA and the withdrawals are made through periodic payments over an identifiable period of time.

United Kingdom Pension Transfer Money

You will only be able to withdraw your United Kingdom Pension Transfer Money from the Scheme:

- when you reach the United Kingdom normal minimum pension age (currently age 55); or
- if you met meet the ill-health conditions under United Kingdom law.

For a withdrawal if you meet the United Kingdom ill-health conditions, you will need to provide medical evidence to help us determine whether you meet the criteria. We'll decline any request to withdraw United Kingdom Pension Transfer Money if it is not in the best interest of the Scheme or its members.

Other Contributions

Transition to retirement

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

$$m = \frac{a}{y + 1}$$

Where:

- **m** = is the maximum amount;
- **a** = is the amount of the scheme participant's accumulation at the start of the relevant period;

- **y** = is the number of remaining relevant periods that commence before the member reaches age 65 calculated at the start of the relevant period.

Your withdrawal amount will be determined using the unit price applying on a day no later than the next valuation day after your withdrawal request is approved. Valuation day is currently every working day.

Permitted early withdrawals for Other Contributions

If you meet the criteria, you may be able to make an early withdrawal before you reach your qualifying date. The pages below explain when you can apply for an early withdrawal from the scheme.

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 scheme.
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.
c) Significant financial hardship includes significant financial difficulties that arise because of your:
   i. inability to meet minimum living expenses;
   ii. inability to meet mortgage repayments on your principal family residence resulting in the mortgagee seeking to enforce the mortgage on the residence;
   iii. the cost of modifying a residence to meet special needs arising from a disability for you or a dependant;
   iv. the cost of medical treatment for an illness or injury for you or a dependant;
   v. the cost of palliative care for a member or a member's dependant;
   vi. the cost of a funeral for your dependant;
   vii. you are suffering from a serious illness.

You will need to complete a statutory declaration in respect of your assets and liabilities.

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.

Serious Illness

If the supervisor is reasonably satisfied that you are suffering from serious illness, then you may withdraw some or all your money from the scheme.

The amount of your serious illness withdrawal may be up to the value of your member account balance.

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.

The supervisor will require medical evidence in relation to your application for 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 we will:

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

Withdrawing or transferring United Kingdom Pension Transfer Money

The following is a summary of the implications of withdrawing United Kingdom Pension Transfer Money from the scheme. This is based on our understanding of United Kingdom pension rules as at the date of this document. Future changes to those rules could subsequently and adversely affect the treatment of money transferred from a United Kingdom pension fund to the scheme and payments from the scheme.

Under the QROPS rules and the trust deed, money transferred by a member from a United Kingdom pension fund and accepted into the scheme may only be withdrawn in accordance with the following:

a) Once the member reaches the United Kingdom normal minimum pension age, which is currently age 55 (unless certain ill health conditions are met or if the withdrawal would be deemed to be an 'authorised member payment' from a United Kingdom pension fund (in terms of the United Kingdom Finance Act)); and
b) Either:
    i. If required by the United Kingdom pension fund or the Member, at least 70% (or another amount, as required) of the United Kingdom Pension Transfer Money is calculated, locked-in and designated by the United Kingdom pension fund as an income for life. The locked-in value is not available for any lump sum withdrawals; or
    ii. If there is no requirement by the transferring United Kingdom pension fund or member for the United Kingdom United Kingdom pension fund to designate 70% (or another amount) of the United Kingdom transfer for the purposes of providing the member with an income for life, 100% of the United Kingdom transfer money to remain unlocked; and
c) Subject to any other terms and conditions as agreed or as determined by the United Kingdom pension fund as being necessary or desirable or in the member's interests or the scheme's interests having regard to applicable laws and HM Revenue & Customs (**HMRC**) requirements.

Notwithstanding the above, we have the discretion to amend at the request of a member any election of United Kingdom transfer money designated by us for the purposes of providing that member with an income for life. For the avoidance of doubt, we must consider any other contractual obligations we have with the relevant United Kingdom pension fund when we accepted the United Kingdom transfer money. When making a lump sum withdrawal a member can either withdraw everything or keep their money invested in the scheme and make lump sum partial withdrawals when they want to.

You are advised to contact us for further details about how an income for life may be payable.

Lifetime must report withdrawals and transfers to HMRC

As a condition of the scheme’s QROPS status, we must report to HMRC about the withdrawals or transfers you make from the scheme. These reports have to be made for a period of ten years from the date of receiving the United Kingdom Pension Transfer Money. By making a United Kingdom Pension Transfer Money, you accept that we will report such withdrawals or transfers to HMRC and agree to provide us with any further information that we may require to make these reports.

Term	Definition

Transferring United Kingdom Pension Transfer Money to a Permitted Scheme

United Kingdom pension funds that are transferred to the scheme will be subject to such restrictions as are imposed by the prevailing rules for QROPS and the trust deed. As at the date of this document this means:

a) A member may only make a withdrawal of United Kingdom Pension Transfer Money in accordance with the restrictions set out in the product discourse statement.

b) A member will only be able to transfer United Kingdom Pension Transfer Money to another QROPS.

c) Such other terms and conditions as agreed between the scheme manager of the United Kingdom pension fund from which the money is to be transferred and us and/or such other terms and conditions as we may determine as being necessary or desirable in the interests of the relevant member or the scheme having regard to applicable laws and HMRC requirements.

When transferring from a United Kingdom Registered Pension Fund, any pension money which has not already been designated to commence paying benefits (which is to say where the pension payments have been started or considered started), or for any portion of the pension money which has not been so designated, or where the member is not yet age 75, will be tested against the United Kingdom Lifetime Allowance test. This test, which is designed to take into account all pension benefits, tests to see if the total pension holdings, relative to certain enhancements which may on occasion be available, are in excess of the taxed advantaged limits prescribed by HMRC treasury. Where they are considered to be in excess of this amount, a tax charge of 25% may be levied prior to transfer.

7. Glossary of terms

This glossary explains the meaning of the terms that are used in the offer register for the scheme.

Term	Definition
alternative asset	an asset that doesn't fit into the four main asset classes (cash and cash equivalents, fixed interest, listed property, and equities). Alternative assets may include infrastructure, hedge funds and private equity.
annual fund charge	a fee charged directly to the fund that will reduce its unit price. The annual fund charge is made up of: • the management fee • the supervisor's fee • fund expenses • fees and expenses of underlying funds.

Term	Definition
	The annual fund charge is a percentage of the NAV of each fund.
asset	something that can be owned with the expectation that it will provide an income and/or increase in value.
asset class	a group of assets with the same or similar features and behaviours. The four main asset classes we invest in are cash and cash equivalents, fixed interest, listed property, and equities.
attributed PIE income (or loss)	the amount of income (or loss) you receive from any investment in a PIE.
bond	a fixed interest asset issued by a government, corporation, local authority or bank (called issuers). The issuer generally pays a fixed interest rate for a set period of time.
cash and cash equivalents	may include interest-bearing deposits with one or more registered banks (such as term deposits), short-term debt securities, or floating rate notes.
commodity	a basic good that can be bought or sold that is interchangeable with other basic goods of the same type. Traditional examples of commodities include gold and other metals, agricultural products, oil and natural gas.
contribution	money paid into your account by you, your employer, or any other person.
creditworthiness	the ability and willingness of an issuer to pay its debts.
currency hedging	an investment strategy used to minimise losses from changes in currency exchange rates.
custodian	Public Trust. The custodian is responsible for holding the scheme's assets 'in trust' for you, entirely separate from the manager's assets.
derivative	a financial contract where the value is derived from the performance of another asset, an index (such as a share market index or a commodity index), an interest rate or an exchange rate.
Disclose	a website that contains two registers – an offer register and a scheme register. These include current and historical information on the scheme including the governing document, financial statements, SIPO, and PDS. You can visit Disclose at disclose-register.companiesoffice.govt.nz.
early withdrawal	withdrawing some or all of your retirement savings before you are eligible for a retirement withdrawal.

Term	Definition
equity asset (equities)	investments that give the holder part-ownership of a company, corporation or similar entity, including units, shares, or other equity investments, such as some types of exchange traded futures. These investments are generally listed on a stock exchange. Equities might sometimes be referred to as shares.
exchange rate	the rate one currency can be exchanged for another.
financial adviser	a financial adviser who meets legal requirements (qualification and professional standards) for giving personalised financial advice about financial products.
Financial Markets Authority (**FMA**)	the independent government entity responsible for regulating New Zealand's financial markets.
fixed interest asset	may include a debt security issued by a government, corporation, local authority or bank (called issuers). The issuer generally pays a fixed interest rate for a set period of time. Cash and cash equivalents may also be included in fixed interest assets.
fund expenses	expenses incurred when operating a fund, such as audit costs, postage, and legal fees.
fund	a 'pool' of money made up of investments of a number of members. The money is invested in assets, with the aim of producing returns for the members in the fund.
governing document	an agreement between the supervisor and the manager which details each party's rights and responsibilities, and requirements for how the scheme will be managed.
Her Majesty's Revenue and Customs (**HMRC**)	Her Majesty's Revenue and Customs is a non-ministerial department of the United Kingdom Government responsible for the collection of taxes, the payment of some forms of state support and the administration of other regulatory regimes (i.e. QROPS).
inflation	an increase in prices which results in a fall in the purchasing power of money. One measure of inflation – and the one that we use – is the average rise in prices within the New Zealand economy. This is measured by the consumer price index (**CPI**). Up-to-date information on the CPI can be found at the New Zealand Department of Statistics (stats.govt.nz).
Inland Revenue (**IRD**)	the government department responsible for the collection of most of New Zealand's tax.
investment mix	the percentage allocation of a fund's value to the various asset classes in which it invests. The target investment mix is the investment mix used as a starting point for deciding how much a fund invests in each asset class.

Term	Definition
	The actual investment mix is the actual percentage to ach asset class that we invest in. We might vary the actual asset class mix to manage risk, increase potential returns, or manage cash flow. We have 'ranges' that state how far from the target the actual asset class mix can be.
Lifetime Asset Management (**LAM**)	Lifetime Asset Management Limited. Is a wholly owned subsidiary of Retirement Income Group. Lifetime Asset Management is also referred to as 'we', 'our', 'us' or 'the manager'.
leverage	borrowing money to increase exposure to a security or asset class.
liability	a debt or financial obligation.
managed investment scheme	a managed fund or range of managed funds.
management fee	the fee we charge for managing the funds.
Manager	See Lifetime Asset Management.
market	all possible buyers and sellers of all available financial investments or investment products
member	any existing or potential member of the scheme.
multi-asset-class fund	a fund that invests in a number of asset classes.
net asset value (**NAV**)	the value of a fund's assets, minus its liabilities, calculated in accordance with the governing document.
online register entry	the information on the offer register for the scheme, available at disclose-register.companiesoffice.govt.nz.
option	a financial derivative that represents a contract sold by one party (option writer) to another party (option holder). The contract offers the holder the right, but not the obligation, to buy or sell a security or other financial asset at an agreed-upon price during a certain period of time or on a specific date.
portfolio	a collection of investments owned by a single person or entity.
portfolio investment entity (**PIE**)	a company, superannuation fund, unit trust, or group investment fund registered with Inland Revenue to allow tax on investment income to be calculated at the prescribed investor rate of its investors, rather than at its own tax rate. PIEs also have their own rules regarding what is, and isn't, taxable.

Term	Definition
prescribed investor rate (**PIR**)	the investor's tax rate for PIE income, which is the rate a PIE uses to calculate and pay tax on that investor's taxable income.
product disclosure statement (**PDS**)	a document that gives you important information about the scheme to help you decide whether you want to invest.
proxy voting	voting on behalf of a shareholder of a company.
Qualifying Recognised Overseas Pension Scheme (**QROPS**)	A Qualifying Recognised Overseas Pension Scheme is an overseas pension scheme that meets certain requirements set by Her Majesty's Revenue and Customs.
Retirement Income Group (**RIG**)	Retirement Income Group Limited. The ultimate owner of Lifetime Asset Management.
returns	the gains or losses made when the assets in which the funds invest change in value and/or earn income. Returns can be before or after tax and/or fees.
risk profile	the level of risk a member is comfortable with.
savings	the money in your account.
securities	investment products and financial instruments.
short-term debt security	a debt security (such as a corporate or government bond) issued for a fixed term that is less than a year.
statement of investment policy and objectives (**SIPO**)	a document that sets out a scheme's investment policy, together with the objectives and investment strategies for each fund.
supervisor	Public Trust. The supervisor is independent of us and supervises how we run the scheme, for the benefit of you and other members.
supervisor's fee	the fee paid to the supervisor for supervising the management and administration of the scheme and holding the scheme's assets.

Term	Definition
switch	moving your savings from one fund to another fund within the same scheme.
Taxable income	the income that is subject to ax under the Income Tax Act 2007 and determines how much tax a person or entity should pay.
underlying fund	a fund that another fund invests in.
us	see manager.
unit	every time a contribution is made to your fund, you receive units in the fund, or funds, you are invested in. The number of units you receive depends on the price of the units at the time of the contribution. The price of a unit depends on the performance of the fund. The number of units you have, when multiplied by the unit price, represents the value of your investment in a fund, not including unpaid tax or tax rebates.
unit price	the price for a unit, calculated in accordance with the scheme's governing document.
we	see manager.
withdrawal	taking money out of the scheme.
Working day	working day means a day of the week other than: • a Saturday, a Sunday, Waitangi Day, Good Friday, Easter Monday, Anzac Day, the Sovereign's birthday, and Labour Day; and • a day in the period commencing with 25 December in a year and ending with 2 January in the following year; and • if 1 January falls on a Friday, the following Monday; and • if 1 January falls on a Saturday or a Sunday, the following Monday and Tuesday; and • if Waitangi Day or Anzac Day falls on a Saturday or a Sunday, the following Monday
you	see member.

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