Other Material Information

Garrison Bridge Superannuation Scheme

Effective from 12 November 2026

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

You should read this document in conjunction with the Product Disclosure Statements and other information contained in the offer register, available at **disclose-register.companiesoffice.govt.nz** (Click 'Search for an offer' and search for 'Garrison Bridge Superannuation Scheme').

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1. What are the risks of investing?

The following outlines more information on general investment risks (which may cause a fund's value to move up and down), other general risks, and specific risks (which relate specifically to the Scheme and funds). 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 a financial advice provider/financial adviser if you need more information.



You can find a financial advice provider/financial adviser in your area on the Financial Service Providers Register at **fsp-register.companiesoffice.govt.nz**.

General investment risks

Market risk

Description	Impact	How we mitigate the risk

An asset's, or an asset class's, 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 interest and currency exchange rates.
The level of market risk a fund is exposed to depends on the asset classes it invests in. For example, equities 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.

Liquidity risk

Description	Impact	How we mitigate the risk
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 underlying managed funds including exchange traded funds.

Currency risk

Description	Impact	How we mitigate the risk
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.	We weigh the benefits of currency risk against the benefits of individual fund characteristics and total consolidated currency exposure in each fund.

Other general risks

Operational risk

Description	Impact	How we mitigate the 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

Description	Impact	How we mitigate the 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 your 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.

Loss of PIE status risk

Description	Impact	How we mitigate the risk
As the Scheme is a Portfolio Investment Entity (**PIE**), there is a risk that the Scheme will lose PIE status if it fails to satisfy the PIE eligibility criteria (as defined in the Income Tax Act 2007) and that failure is not remedied within the period permitted under the Income Tax Act 2007.	In this situation, the Scheme would be taxed at 28% on all taxable income.	We have implemented processes to monitor and manage on-going PIE eligibility compliance for the Scheme. In addition, under the Trust Deed, we have the ability to switch some or all of a member's investment from one fund to another as if we had received a request to that effect from the relevant member if we consider it necessary or desirable to ensure that the Scheme is eligible or continues to be eligible as a PIE, or otherwise to comply with the requirements of the Income Tax Act 2007 relating to PIEs.

Specific risks

Losing QROPS status risk

Description	Impact	How we mitigate the 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.	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)

Description	Impact	How we mitigate the risk
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.

Non-segregation risk

Description	Impact	How we mitigate the risk
The assets in one fund are used to meet the obligations of another fund within the Scheme.	The assets of the Scheme comprise of a single trust fund. This means the funds within the Scheme are not segregated. In the first instance all liabilities incurred in relation to a fund must first be met from that fund's assets. However, in the unlikely event that the assets of a fund are insufficient to meet that fund's liabilities, we have the ability to call on the assets of any other fund within the Scheme to meet the liabilities of the fund in such equitable manner as we decide.	We can only do this having first consulted with the Supervisor. Because of the way the Scheme is managed, it is unlikely that we will ever be required to do this.

UK tax risk

Description	Impact	How we mitigate the 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. 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.	We proactively comply with the Scheme's tax obligations and actively monitor new developments in the regulatory environment.

NZ transfer tax risk

Description	Impact	How we mitigate the risk
If you transfer money from a foreign superannuation scheme (including UK Pension Funds) to this Scheme, you may be liable for tax in New Zealand. If you have a New Zealand tax liability, it can be paid from your transferred funds in the Scheme under the Scheme pays option (subject to conditions), or you can pay the tax liability	If you fail to notify the Manager of the Assessable Withdrawal Amount under the Scheme pays option within the 10-day period, you will have to pay the tax liability under the Individual pays option, paid by you directly out of your own funds (not from the transfer amount) at your marginal tax rate rather than fixed rate of 28% under the Scheme pays option. This may be a significant amount in some cases	We are here to help you through the UK Pension transfer process. You can choose either of the Scheme pays or Individual pays options in the GBSS Application form. More information is available in Section 4 'Tax' of this document and in the Application form in the Investor Tax Information section. We proactively comply with the Scheme's tax obligations and actively monitor new developments in the New Zealand regulatory environment.

personally under the Individual pays option.	and can be a financial burden for some members. If you do not calculate the correct amount of tax to pay (under either option) you may be required to make an additional payment (including penalties) to the Inland Revenue Department (IRD) at the following tax year-end.	We notify members of material changes as soon as practicable.

Zero-rate PIE status risk

Description	Impact	How we mitigate the risk
The Scheme including the non-NZD denominated funds are taxed as a foreign investment variable rate PIE. There is a risk that the funds could fail to continue to qualify as a foreign investment variable rate PIE.	If a fund fails to continue to qualify as a foreign investment variable rate PIE, then that fund will be taxed as a multi-rate PIE whereby the tax treatment of notified foreign investor unitholders and transitional resident unitholders depend on the PIR that applies.	We proactively comply with the Scheme's tax obligations and actively monitor new developments in the regulatory environment.

2. 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.

At the date of this document, Public Trust has been granted and holds 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.



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-us/meet-public-trust-team/

Custodian

Adminis NZ 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.

3. What conflicts of interest 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.

A relevant person means:

- a director of Lifetime;
- a senior manager of Lifetime;
- an employee of Lifetime who has a significant impact on the investment decisions that are made in respect of the Scheme; or
- an associated person of Lifetime (or a director or senior manager of that associated person).

Controls on conflicts of interests

The Financial Markets Conduct Act 2013 (**FMCA**) imposes statutory controls on conflicts of interest:

- A related party transaction may only be done in compliance with the FMCA which includes either, us providing a certificate to Public Trust confirming matters required in accordance with the FMCA or if we obtain Public Trust's consent on the basis that it is in the best interests of members.
- As manager of the Scheme, we are subject to statutory duties in the performance of our functions as manager, including the requirement to act honestly and in the best interests of members.
- Where we contract out our functions to other parties, we must ensure the persons to whom we contract those functions perform them to the same standard and subject to the same duties and restrictions as if we were performing them ourselves. These include the statutory duties referred to above. We must also monitor the performance of that function.

We also have other internal controls on conflicts of interest. These are our Code of Ethics and Conflicts of Interest and Related Party Transaction Policy. We'll give you copies of these documents, free of charge, on request.

Details and management of conflicts of interest

For the purposes of the FMCA, no conflicts of interest currently exist or are likely to arise in the future.

Nature of conflict	Funds affected	When and how this would or could reasonably be expected to materially influence investment decisions in respect of the Scheme	Steps that have been taken, or will be taken, to manage the conflicts of interest
Not applicable	Not applicable	Not applicable	Not applicable

4. Tax

Foreign investment variable rate Portfolio Investment Entity

The Scheme is taxed as a foreign investment variable rate 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; and
- home address in your country or territory of residence; and
- country code as prescribed by the Commissioner of IRD for your country or territory of residence; and
- 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.

Boutique investor class

The AUD Growth Fund (which is open to new investors) and NZD Conservative Fund No.2 (which is closed to new investors) are boutique investor classes within the Scheme. To qualify as a boutique investor class of a PIE the following requirements must be met by each of the funds on an on-going basis:

- each of these funds have less than 20 investors; and
- the Scheme has 1 or more other investor classes that have at least 20 persons; and
- no investor in the boutique investor class, other than the entity's manager or trustee, can control the investment decisions relating to that class; and
- the investor interests in all boutique investor classes of the PIE add up to less than 10% of the total value of interests in the entity (the Scheme).

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 (and changing to age 57 from 6 April 2028), 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.

Taxation of transfers from foreign superannuation schemes

A member may be required to pay tax (or make a student loan repayment) if they transfer retirement or pension savings from a foreign superannuation scheme into the Scheme. Where a member was not a New Zealand tax resident at the time they first acquired their interest in the foreign superannuation scheme, they may qualify for a four-year tax exemption. If this exemption applies, amounts transferred from the foreign superannuation scheme to the Scheme during that period will not be subject to New Zealand tax.

If the member does not qualify for the exemption period, the amount of tax payable will depend on how long the member has been a New Zealand tax resident before transferring their interest in the foreign superannuation scheme. The calculation methods that apply in these circumstances are complex, and members should seek independent professional tax advice to understand the nature and extent of any tax or student loan repayment obligations.

You can find more information on NZ tax obligations for foreign transfers at the IRD website ird.govt.nz/income-tax/income-tax-for-individuals/types-of-individual-income/foreign-superannuation.

UK Pension transfers and the Scheme pays option

If you transfer a UK pension (or a transfer from a foreign non-UK QROPS) into the Scheme, part or all of the transfer may be assessable for New Zealand income tax purposes.

If you are liable for this tax you can choose between the Scheme pays option or the Individual pays option. If you choose the Scheme pays option you must notify us of the tax liability amount (within 10 working days of the date the Scheme receives the transferred funds) and we will arrange for payment to the IRD from your Transfer amount. If you elect the Individual pays option you will pay any tax liability personally. With both options, you bear the overall responsibility for ensuring the correct amount of tax has been paid.

Requirement to provide Assessable Withdrawal Amount

To make a valid Scheme pays election, you must notify the Scheme of the Assessable Withdrawal Amount (**AWA**) for the transfer.

The AWA must be provided **within 10 working days** of the date on which the Scheme receives the transferred funds from the overseas pension provider. This timeframe is prescribed by law and cannot be extended or waived by the Scheme.

If the amount you advised to the Scheme is less than the correct taxable amount, then you will be liable to pay Inland Revenue the shortfall (plus any interest and penalties).

Consequences of failure to provide AWA

If the Scheme does not receive the AWA within the required timeframe:

- the Scheme pays election will be treated as invalid;
- the Scheme will not deduct, withhold, or pay any tax to Inland Revenue in respect of the transfer;
- the full amount transferred will be credited to your account; and
- you will be solely responsible for declaring and paying any tax payable to Inland Revenue in relation to the transfer.

The Scheme is not permitted to:

- apply a default or estimated AWA; or
- accept or act on an AWA provided after the statutory deadline.

We are here to help:

If you have New Zealand foreign superannuation tax to pay on your UK Pension transfer you can authorise the Manager to calculate the AWA on your behalf or you can calculate the AWA yourself. To get our help please refer to your application form in Section C. While we can provide you with an estimate of your AWA for you to review and confirm the calculation and tax declaration is ultimately your responsibility.

Investor responsibility and advice

You are responsible for determining the correct AWA and for ensuring it is provided to the Scheme within the required timeframe.

The Manager does not provide tax advice. You should obtain independent tax or financial advice before making an overseas pension transfer or Scheme pays election.

You must notify the Scheme when there is a change to your New Zealand tax residence as soon as possible.

Transfers of KiwiSaver-Locked UK Pension Amounts to QROPS

If you have previously transferred pension benefits from the United Kingdom into a KiwiSaver scheme, those UK-sourced amounts may have been subject to statutory "lock-in" restrictions. Legislative amendments in New Zealand that came into force on 1 April 2025 permit certain locked-in funds that were originally transferred from the United Kingdom into a KiwiSaver scheme to be transferred to a New Zealand QROPS.

This change enables the UK-sourced component of a member's retirement savings to be held within a QROPS structure, allowing the remaining balance of the member's KiwiSaver account to be managed separately, without giving rise to unintended United Kingdom tax consequences.

Any such transfer is subject to the agreement of the receiving QROPS and the relevant KiwiSaver provider, and may not be available, appropriate or permitted in all circumstances. Please contact us for more information.

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

5. 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 (changing to age 57 from 6 April 2028) 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, changing to age 57 from 6 April 2028); or
- if you 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.

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 and changing to age 57 from 6 April 2028 (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. 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, 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.

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 Disclosure Statements.

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.

Withdrawing Other Contributions (non-UK Pension Transfer Funds)

Transition to retirement

Transition to retirement withdrawals where the Supervisor is satisfied that you have reached the age that is 10 years before you qualify for New Zealand superannuation (currently age 55), you can make periodic withdrawals from the Scheme calculated under the formula in the Superannuation Scheme Rules.

The specified percentage that you can withdraw each year under the transition to retirement formula is shown below:

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

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.

Age	Percentage that may be withdrawn
55	9%
56	10%
57	11%
58	13%
59	14%
60	17%
61	20%
62	25%
63	33%
64	50%
65	100%

The annual withdrawal limits are not cumulative (for example, at age 58 a member cannot withdraw 43% of their investment, they can only withdraw 13% over the next 12-month period).

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.

6. Glossary of terms

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

Term	Definition
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. 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. Cash equivalents may also include a portfolio of bonds with an effective duration not exceeding 6 months and a weighted average maturity of around 12 months.
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 or any other person.
creditworthiness	the ability and willingness of an issuer to pay its debts.
currency hedging	an investment strategy used to manage currency exposure.
custodian	Public Trust appointed Adminis NZ Limited as custodian of the Scheme. 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.
effective duration	is a measure of risk that takes into consideration the expected cashflows from a bond. The shorter the effective duration, the less likely the value of a particular cashflow will be impacted by interest rate fluctuations.

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 may also 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	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.
fund expenses	expenses incurred when operating a fund, such as audit costs, postage, and legal fees.
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.
His Majesty's Revenue and Customs (HMRC)	His 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. The actual investment mix is the actual percentage to each 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 Limited (LAM)	Lifetime Asset Management Limited is a wholly owned subsidiary of Retirement Income Group. Lifetime Asset Management Limited 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.

Term	Definition
Manager	see Lifetime Asset Management Limited.
market	all possible buyers and sellers of all available financial investments or investment products.
member	any existing or potential investor in 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.
other (alternatives)	an asset that doesn't fit into the four main asset classes (cash and cash equivalents, fixed interest, listed property, and equities). Alternative assets can include commodities, hedge funds, private equity, infrastructure and unlisted property funds.
portfolio	a collection of investments owned by a single person or entity.
Portfolio Investment Entity (PIE)	a company, managed funds (such as a superannuation fund, unit trust, or group investment fund), defined benefit funds and life funds 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.
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 His Majesty's Revenue and Customs.
Retirement Income Group Limited (RIG)	Retirement Income Group Limited is the ultimate owner of Lifetime Asset Management Limited.
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.

Term	Definition
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 us.
switch	moving your savings from one fund to another fund within the same Scheme.
taxable income	the income that is subject to tax 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.
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, Labour Day, and Matariki; 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.

GARRISON BRIDGE
Superannuation Scheme