

## **TRUST MANAGEMENT PIE FUNDS**

# **PRODUCT DISCLOSURE STATEMENT**

30 October 2020

This is a replacement PDS, and replaces the PDS dated 31 March 2020.

Issued by Trust Investments Management Limited as corporate trustee of the Trust Investments Management Charitable Trust ("**Trust Management**")

This document gives you important information about this investment to help you decide whether you want to invest. There is other useful information about this offer on <https://disclose-register.companiesoffice.govt.nz/disclose>. Trust Management has prepared this document in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial adviser to help you to make an investment decision.

## 1. KEY INFORMATION SUMMARY

### What is this?

This is a managed investment scheme. Your money will be pooled with other investors' money and invested in various investments. Trust Management will invest your money and charge you a fee for its services. The returns you receive are dependent on the investment decisions of Trust Management and the performance of the investments. The value of those investments may go up or down. The types of investments and the fees you will be charged are described in this document.

### What will your money be invested in?

The Trust Management PIE Funds scheme ("Scheme") offers you six funds ("Funds"). These investment options are summarised below. More information about the investment target and strategy for each investment option is provided in Section 3 (Description of your investment options).

Fund	Description	Risk indicator*	Fund charges (estimated)** (of the value of the Fund's assets each year)	Buy / sell-spread (of each investment / redemption)							
<b>Trust Management – Property Fund</b>	The Fund provides exposure to the New Zealand property market through a diversified portfolio of commercial properties. The Fund aims to provide income while protecting the real value of the property assets over the medium to long term. The Fund applies certain sustainability criteria on acquisition of properties.	<p>← Lower expected return      Higher expected return →</p> <table border="1"> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> <td>6</td> <td>7</td> </tr> </table> <p>← Lower risk      Higher risk →</p>	1	2	3	4	5	6	7	0.84%	0.20% / 1.00%
1	2	3	4	5	6	7					
<b>Trust Management – Sustainable Australasian Share Fund</b>	The Fund is a diversified portfolio of New Zealand and Australian shares across a range of industries and sectors which meet certain sustainability criteria.	<p>← Lower expected return      Higher expected return →</p> <table border="1"> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> <td>6</td> <td>7</td> </tr> </table> <p>← Lower risk      Higher risk →</p>	1	2	3	4	5	6	7	0.62%	0.20% / 0.20%
1	2	3	4	5	6	7					
<b>Trust Management – NZ Bond Fund</b>	The Fund is an actively managed portfolio of fixed interest securities, focusing predominantly on government bonds and corporate issues in the New Zealand market which meets certain sustainability criteria.	<p>← Lower expected return      Higher expected return →</p> <table border="1"> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> <td>6</td> <td>7</td> </tr> </table> <p>← Lower risk      Higher risk →</p>	1	2	3	4	5	6	7	0.52%	- / -
1	2	3	4	5	6	7					
<b>Trust Management – International Share Fund</b>	The Fund provides exposure to international sharemarkets through an index tracking fund, which meet certain sustainability criteria.	<p>← Lower expected return      Higher expected return →</p> <table border="1"> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> <td>6</td> <td>7</td> </tr> </table> <p>← Lower risk      Higher risk →</p>	1	2	3	4	5	6	7	0.48%	0.27% / 0.08%
1	2	3	4	5	6	7					
<b>Trust Management – International Bond Fund</b>	The Fund provides exposure to international bond markets through an index tracking fund, which meet certain sustainability criteria.	<p>← Lower expected return      Higher expected return →</p> <table border="1"> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> <td>6</td> <td>7</td> </tr> </table> <p>← Lower risk      Higher risk →</p>	1	2	3	4	5	6	7	0.49%	0.10% / 0.15%
1	2	3	4	5	6	7					
<b>Trust Management – Balanced Fund</b>	The Fund is a diversified fund that aims to generate a return that exceeds the weighted average return of the benchmarks of the underlying Funds into which it invests.	<p>← Lower expected return      Higher expected return →</p> <table border="1"> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> <td>6</td> <td>7</td> </tr> </table> <p>← Lower risk      Higher risk →</p>	1	2	3	4	5	6	7	0.91%	- / -
1	2	3	4	5	6	7					

\* As the Funds have existed for less than 5 years, market index returns and comparable fund returns have been used to calculate the risk indicators for the period from 1 October 2015 to 30 September 2020.. Therefore, the risk indicator may provide a less reliable indicator of the potential future volatility of the Funds.

\*\* See Section 5 (What are the fees?) for more information on the management fees and estimated administration charges that make up the annual fund charges

See page 10 for an explanation of the risk indicator and for information about other risks that are not included in the risk indicator. To help you clarify your own risk attitude, you can seek financial advice or work out your risk profile at [www.sorted.org.nz](http://www.sorted.org.nz)

## Who manages the Scheme?

The manager of the Scheme is Trust Management.

Further information about Trust Management and the other parties involved in providing the Funds can be found in Section 7 (Who is involved?).

## What are the returns?

Returns from each Fund come from:

- any increase or decrease in unit price; and
- any income distributions made from the Fund.

Distributable income of each Fund in which you invest will be paid out quarterly to you in the form of a distribution. See Section 2 (How does this investment work?) for more information.

## How can you get your money out?

You can redeem your investment on written notice to Trust Management. Redemptions are generally actioned within 10 business days after the end of each month, subject to the expiry of any applicable notice period. For example, in the case of Property Fund, a 12 month notice period applies. If a notice period applies, we may allow a shorter notice period with the Supervisor's approval. We can also suspend or defer redemptions in certain circumstances.

See Section 2 (How does this investment work?) for more information, including any notice period applicable to each Fund.

Your investment in these Funds can be sold but there is no established market for trading these financial products. This means that you may not be able to find a buyer for your investment.

## How will your investment be taxed?

The Funds are each a Portfolio Investment Entity (PIE).

The amount of tax you pay in respect of a PIE is based on your prescribed investor rate (PIR). To determine your PIR, go to <https://www.ird.govt.nz/roles/portfolio-investment-entities/find-my-prescribed-investor-rate> See Section 6 (What taxes will you pay?) for more information.

## Where can you find more key information?

Trust Management is required to publish quarterly updates for each Fund. The updates show the returns, and the total fees actually charged to investors, during the previous year. The latest fund updates are available at [www.trustmanagement.co.nz](http://www.trustmanagement.co.nz) (when prepared). The manager will also give you copies of those documents on request.

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## 2. HOW DOES THIS INVESTMENT WORK?

This Product Disclosure Statement is an offer to purchase units in the Trust Management PIE Funds. Each of the Funds is a trust established within the Scheme, and governed by a Master Trust Deed dated 18 March 2020 between the Supervisor and the Manager ("**Trust Deed**"), and each Fund is governed by a separate establishment deed between the Supervisor and the Manager.

The Funds form part of a managed investment scheme registered under the Financial Markets Conduct Act 2013. The money you invest buys units in the Fund or Funds you choose. Each Fund invests in assets, such as real property, shares and other funds. The units do not give you legal ownership of the Fund's assets but they do give you rights to returns from those assets in proportion to your interest in that Fund. The assets of a Fund are not available to meet the liability of any other Fund.

The price of each unit depends on the value of the Fund at the time you invest and any buy-spread applicable to that Fund. The unit price for each Fund is determined at the end of each month by dividing the current value of the assets of the Fund, after liabilities and expenses of the Fund, by the number of units the Fund has issued. The unit price of each Fund is calculated as soon as practicable following, and generally within 10 business days after, the end of each month.

A change in the value of the Fund's assets affects the value of your units. The unit price for a Fund will change as the market value of those Fund's assets changes.

The number of units you have multiplied by the unit price gives the total value of your investment in any one Fund. Returns are not guaranteed.

The key benefits of investing in the Funds are:

- flexible choice of investments – with a choice to invest in one or a combination of Funds;
- sector specialist investment management;
- diversified investment; and
- simplified investing, as we manage buying, selling, reporting and record keeping.

The return on your investment comes from:

- any increase or decrease in unit price; and
- any income distributions made from the Fund.

Distributable income (if any) of each Fund in which you invest will be paid out in proportion to your interest in that Fund quarterly within 6 weeks of the last day of each quarterly distribution period (31 March, 30 June, 30 September and 31 December). Income will be distributed after deduction of fees, expenses, taxes and any other amounts the Manager may be required to deduct or retain under the Trust Deed or at law. You may elect to have all (but not part) of your distribution of income reinvested in further units.

We may, in our discretion, defer payment of any distribution from a Fund where we consider the amount of the distribution compared to the costs of making the distribution would not warrant the distribution being made at that time.

## Making investments

You can make an investment in any of the Funds by completing the application form at the back of this document and returning it to us together with payment.

We have absolute discretion whether or not to accept any application, without giving any reason.

You may invest in one or more Funds as long as your initial investment in each Fund is a minimum of \$25,000. This minimum amount may be varied by us at any time. When you make an investment in a Fund, we will issue units at the unit price for that Fund, adjusted for the applicable buy-spread for that Fund.

Units are issued once each month on the date on which the unit price of each Fund is calculated, or within two business days after that date. Any applications received after 2pm on the last business day of each month will be processed in the following month.

The latest unit prices for the Funds are available at [www.trustmanagement.co.nz](http://www.trustmanagement.co.nz).

Subsequent investments in the Funds may be made in the same manner as an initial application outlined above. The minimum subsequent investment amount is \$5,000 for each Fund. This minimum amount may be varied by us at any time.

## Withdrawing your Investments

You may request a redemption of some or all of your units in a Fund at any time by completing a redemption request form (available from us). Once submitted, your redemption request cannot be withdrawn. For some Funds, you must give a minimum period of notice (a “**notice period**”) to allow us time to realise assets if necessary to permit your redemption. Notice periods, explained further below, commence on the date we receive your completed redemption request.

Units in a Fund are redeemed at the unit price for that Fund, adjusted for the applicable sell-spread for that Fund.

The redemption of units is effected on the date on which the unit price of the relevant Fund(s) is next calculated following the later of receipt of the redemption request and the expiry of any applicable notice period.

We may refuse a redemption request, with the agreement of the Supervisor, if we are of the opinion that it would not be practicable, or would be materially prejudicial to the interests of unitholders, for the redemption request to be processed. We may suspend or defer redemptions as explained below.

### ***Notice periods***

The notice period for the Property Fund is 12 months for any redemptions from that Fund. This means, for example, that a redemption request for the Property Fund received by us on 20 January 2021 would not be effected until the unit price of the Property Fund is calculated following the end of January 2022, provided no suspension or deferral of redemptions is in place. Earlier redemptions may be allowed with the Supervisor's approval, provided this would not prejudice the interests of the remaining unit holders.

The notice period for the Sustainable Australasian Share Fund is at least 10 business days in respect of any redemptions from the Fund. For the Balanced Fund, a redemption request may be deferred by up to 12 months if such a request would compel that Fund to redeem units in the Property Fund.

There are no notice periods for redemptions from the other Funds.

***Suspension or deferral***

We may suspend redemptions in any of the Funds where we consider that the redemption would not be practicable, or would be materially prejudicial to the interests of unit holders of the Funds. We may also defer redemptions if we receive an amount of redemption requests which we consider could detrimentally affect the interests of other unit holders of the Funds. In those circumstances, you may have to wait a longer period of time to withdraw your investment.

More information on withdrawal transactions, including suspension and deferral of redemptions, is available on the offer register at <https://disclose-register.companiesoffice.govt.nz/disclose>.

**How to switch between Funds**

You may switch all or part of your investment in a Fund to another Fund. A switch will be treated as a redemption of units from the original Fund and an application for units in the other Fund. The notice periods for redemptions set out above will apply to a switch. You will not be charged a switch fee but the sell-spreads will apply on each redemption under the switch (the buy-spreads will not apply on any application under the switch).

You may also transfer units in a Fund to another Investor for no charge. We may decline to register a transfer in certain circumstances under the Trust Deed.

### 3. DESCRIPTION OF YOUR INVESTMENT OPTIONS

Fund	Summary of investment objectives and strategy	Target investment mix	Risk indicator *	Minimum suggested investment timeframe
<b>Trust Management – Property Fund</b>	<p><b>Objective:</b> To provide income while protecting the real value of capital over a medium to long term horizon by investment in direct holdings of commercial properties.</p> <p><b>Strategy:</b> Invests directly in a broad range of properties and locations to generate capital gains and income and to limit and diversify risk. The Fund will not acquire properties where the major tenant is a company whose primary business activities are tobacco products, alcoholic beverages, pornography, gambling, armaments or the production or extraction of fossil-fuels (“<b>Unethical Activities</b>”).</p>	<b>Unlisted property</b> 100%	<b>3</b>	<b>5 years</b>
<b>Trust Management – Sustainable Australasian Share Fund</b>	<p><b>Objective:</b> To exceed the return of the S&amp;P/NZX50 Portfolio Index over rolling three-year periods, before taking into account fees and expenses.</p> <p><b>Strategy:</b> Investment is in a portfolio of shares of companies listed on the New Zealand or Australian Stock Exchanges which meet certain sustainability criteria. In order to meet the sustainability criteria, the Fund does not invest in companies whose primary business activities are Unethical Activities.</p>	<b>Australasian equities</b> 100%	<b>5</b>	<b>5 years</b>
<b>Trust Management – NZ Bond Fund</b>	<p><b>Objective:</b> To maximise income available for distribution, while generating a total return broadly consistent with that of the Bloomberg NZ Bond Composite 0+ Year index over rolling three-year periods, before taking into account fees and expenses.</p> <p><b>Strategy:</b> Invests directly in a broad range of fixed interest securities, including New Zealand government bonds, local government bonds, kauri bonds, corporate issues and term deposits. Each security in the Fund satisfies certain sustainability criteria, whereby the issuer is not a company whose primary business activities are Unethical Activities.</p>	<b>New Zealand fixed interest</b> 100%	<b>3</b>	<b>3 Years</b>
<b>Trust Management – International Share Fund</b>	<p><b>Objective:</b> To closely track the return of the benchmark MSCI World ex Australia Index 50% hedged to New Zealand dollars, before taking into account fees and expenses, subject to certain sustainability criteria.</p> <p><b>Strategy:</b> The Fund’s exposure to global shares is through investment in the State Street Climate ESG International Equity Fund, a fund managed by State Street Global Advisors that seeks to achieve capital growth and income in line with the benchmark MSCI World ex Australia Index, subject to delivering climate and ESG objectives. The index tracking fund’s current criteria is to favour companies well positioned for climate change, to exclude investment in companies whose primary business activities are tobacco and controversial (including nuclear) weapons, securities that exhibit poor adherence to international norms in relation to environmental protection, human rights, labour standards and corruption; and, to favour companies with strong ESG ratings. The Fund targets a position of being close to 50% hedged to the New Zealand dollar.</p>	<b>International equities</b> 100%	<b>5</b>	<b>5 years</b>

Fund	Summary of investment objectives and strategy	Target investment mix	Risk indicator *	Minimum suggested investment timeframe
<b>Trust Management – International Bond Fund</b>	<p><b>Objective:</b> To closely track the return of the benchmark, the Bloomberg Barclays Global Aggregate Index Hedged to New Zealand dollars, before taking into account fees and expenses.</p> <p><b>Strategy:</b> The Fund currently invests in the iShares ESG Global Bond Index Fund, an Australian unit trust managed by BlackRock Investment Management (Australia) Limited, whose underlying investments consist of a portfolio of debt securities designed to match the return of the Bloomberg Barclays MSCI Global Aggregate SRI Select ex-Fossil Fuels index (AUD hedged). The Fund has no exposure to non-government issuers whose major business activities are tobacco products, alcoholic beverages, pornography, gambling, armaments or the production or extraction of fossil-fuels. The Fund also excludes treasury and government-related issuers with an MSCI ESG government rating below “BB”.</p> <p>The Fund’s foreign currency exposure is fully hedged back to New Zealand dollars.</p>	<p><b>International fixed interest</b> 100%</p>	3	3 years
<b>Trust Management – Balanced Fund</b>	<p><b>Objective:</b> To generate a return that exceeds the weighted average return of the benchmarks of the underlying Funds into which the Fund invests, in proportion to the strategic asset allocation of the Fund, before taking into account fees and expenses.</p> <p><b>Strategy:</b> Invests entirely in other Funds, except to the extent cash is held for liquidity purposes. The allocation of the Fund into the underlying Funds is determined by its strategic asset allocation, which targets an allocation between income assets and growth assets of 65%/35%. The Fund incorporates the sustainability criteria of each of the underlying Funds.</p>	<p><b>Cash and cash equivalents</b> 0%</p> <p><b>New Zealand fixed interest</b> 25%</p> <p><b>International fixed interest</b> 10%</p> <p><b>Unlisted property</b> 30%</p> <p><b>Australasian equities</b> 15%</p> <p><b>International equities</b> 20%</p>	3	3 years

As the Funds have existed for less than 5 years, market index returns and comparable fund returns have been used to calculate the risk indicators for the period from 1 October 2015 to 30 September 2020. Therefore, the risk indicator may provide a less reliable indicator of the potential future volatility of the Funds.

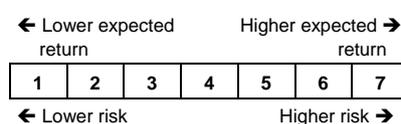
We review the statement of investment policies and objectives, also known as the SIPO, for each Fund on an annual basis. Changes to the SIPO of any Fund can be made in accordance with the Trust Deed and the Financial Markets Conduct Act 2013. We will give notice of changes to unit holders of the relevant Fund prior to effecting any changes which are deemed to be material or which could influence a decision to purchase or redeem units. The current SIPO for the Funds can be found on the scheme register at <https://disclose-register.companiesoffice.govt.nz/disclose>. Further information about the assets in the Funds can be found in the fund updates (when prepared) at [www.trustmanagement.co.nz](http://www.trustmanagement.co.nz).

## 4. WHAT ARE THE RISKS OF INVESTING?

### Understanding the risk indicator

Managed funds in New Zealand must have a standard risk indicator. The risk indicator is designed to help investors understand the uncertainties both for loss and growth that may affect their investment. You can compare funds using the risk indicator.

The risk indicator for each Fund can be seen on page 3. A blank example risk indicator is set out below.



The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the Fund's assets goes up and down (volatility). A higher risk generally means higher potential returns over time, but more ups and downs along the way.

To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at [www.sorted.org.nz](http://www.sorted.org.nz).

Note that even the lowest category does not mean a risk-free investment, and there are other risks (described under the heading "Other specific risks") that are not captured by this rating.

This risk indicator is not a guarantee of a Fund's future performance. The risk indicator is based on the market index returns and comparable fund returns data for the five years to 30 September 2020. While risk indicators are usually relatively stable, they do shift from time to time. You can see the most recent risk indicator in the latest fund update for the relevant Fund.

### General investment risks

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

#### **Market risk**

Market risk is the risk of losses in a Fund's investments arising due to market prices of those investments changing.

This is of particular significance to the Sustainable Australasian Share Fund, the International Share Fund and, to a lesser extent, the Balanced Fund as they invest in assets that are market linked, and are therefore susceptible to general market fluctuations and individual security price fluctuations.

#### **Interest rate risk**

Interest rate risk is the risk that market interest rates rise which will lead to a drop in the market values of fixed interest securities.

This is of particular significance to the NZ Bond Fund, the International Bond Fund and, to a lesser extent, the Balanced Fund, as they invest directly or indirectly in fixed interest securities and therefore movements in market interest rates will impact the value of the Funds.

#### **Liquidity risk**

In volatile market conditions, a Fund's assets may not necessarily be as easily realisable as they may have been at a previous point in time, or may only be realisable at a lower value than in normal market conditions. This could have a negative effect on the value of a Fund's assets and its performance, and consequently may affect the value of your investment and the returns you receive.

This is of particular significance to the Property Fund as properties are less liquid than other asset classes.

### **Currency risk**

Currency risk is the risk of exchange rate fluctuations between the New Zealand dollar (the currency in which the Funds are valued) and foreign currencies.

Currency risk will affect funds that invest in offshore assets that are not fully hedged to New Zealand dollars. The Sustainable Australasian Share Fund, the International Share Fund and the International Bond Fund all have assets invested offshore and therefore the returns of those Funds can be affected by movements between the New Zealand dollar and other currencies.

We manage currency risk for each of the Funds which have exposure to overseas assets by a currency management policy, where some or all of the foreign currency exposures are hedged to New Zealand dollars. The currency management policy for each of these Funds is detailed in its SIPO.

### **Other Specific Risks**

The Property Fund has a target investment mix of 100% in unlisted property. The Fund may have material cash holdings from time to time pending identification and acquisition of suitable investment properties.

Fluctuations in the supply of commercial properties in New Zealand, and the availability of desirable properties for acquisition, may impact the Fund's ability to acquire suitable properties in order to achieve the target investment mix. Cash holdings pending investment into commercial properties may create a reduction in performance in situations where the return from cash is lower than the rental income from properties.

The COVID-19 coronavirus pandemic is having a material adverse effect on global economies as governments undertake extraordinary measures to try to limit the virus' spread. The economic impact remains uncertain and market volatility is expected to continue for some time. This risk applies to all Funds, but is of particular significance to the Property Fund, with potential uncertain valuations and unit pricing, likely significant rental income loss, and reduced liquidity.

The Balanced Fund is affected by these specific risks to the extent it invests in the Property Fund. The Balanced Fund targets investing 30% of its assets in unlisted property, via the Property Fund.

Effective 1 November 2020 the Property Fund will have four vacant properties representing approximately 10% of the annual rental income of the portfolio. There is some uncertainty around the duration of the vacancies before these properties are leased.

More information on the risks of investing in the Funds is available on the offer register at <https://disclose-register.companiesoffice.govt.nz/disclose>

## 5. WHAT ARE THE FEES?

You will be charged fees for investing in the Funds. Fees are deducted from your investment and will reduce your returns. The fees you pay will be charged in two ways:

- regular charges (for example, annual fund charges). Small differences in these fees can have a big impact on your investment over the long term; and
- one-off fees (for example, the initial buy-spread).

### Annual fund charges

The total annual fund charges, expressed as a percentage of the net asset value of each Fund, are estimated as follows:

Fund	Management Fees	Estimated Administration Charges	Total Annual Fund Charges
Property Fund	0.73%*	0.11%	0.84%
Sustainable Australasian Share Fund	0.45%	0.17%	0.62%
NZ Bond Fund	0.30%	0.22%	0.52%
International Share Fund	0.35%	0.13%	0.48%
International Bond Fund	0.35%	0.14%	0.49%
Balanced Fund	0.75%	0.16%	0.91%

\*Estimated

### Management fees

We charge an annual management fee to each Fund. In the case of the Sustainable Australasian Share Fund, an annual investment management fee is also paid to the investment manager from that Fund.

In the case of the Property Fund, the following fees are also charged to the Fund:

- annual facilities management fee; and
- fee for successful negotiation of a rent review or re-leasing of any property.

One-off special projects fees relating to the acquisition or sale of a property may be charged to that Fund.

The management fees for the Property Fund shown in the table above are based on an estimate of each of these fees.

The management fees shown above for the other Funds comprise our annual management fee, any investment management fee, and any management fee charged in respect of any underlying funds into which those Funds invest.

### Administration charges

These charges cover the general management of the Fund, e.g. supervisor, legal, audit, accounting and custodial fees and annual FMA levies, and any such charges charged by underlying funds into which the Funds invest.

Goods and services tax (GST) is not included in any of the stated fees. GST will be added to any fees where applicable.

More information on the basis of estimation of fees and charges is available on the offer register at <https://disclose-register.companiesoffice.govt.nz/disclose>.

## Total management fees and administration charges cap

In our discretion, we limit the annual management fees and administration charges charged to each Fund. These fees and charges are currently limited to the following percentages of net asset value in respect of each Fund:

Fund	Total annual management fees and administration charges cap
Property Fund	1.15%
Sustainable Australasian Share Fund	1.60%
NZ Bond Fund	0.80%
International Share Fund	1.10%
International Bond Fund	0.85%
Balanced Fund	1.25%

Management fees charged to any underlying funds into which the Funds may invest are included in the above caps. Administration charges charged to any underlying funds into which the Funds may invest are not included in the above caps.

## Individual action fees and trading costs

### Buy/Sell-spreads

When you enter or leave a Fund, buy or sell-spreads applicable at that time will be a cost to you. The buy-spread is added to the unit price on entry to, and the sell-spread is deducted from the unit price on exit from, the Fund. The spreads belong to the Fund and are not fees paid to us or any investment manager. Indicative spreads are:

Fund	Buy-spread	Sell-spread
Property Fund	0.20%	1.00%
Sustainable Australasian Share Fund	0.20%	0.20%
International Share Fund	0.27%	0.08%
International Bond Fund	0.10%	0.15%

There is no GST charged on spreads. We determine the spreads based on what we consider to be a fair amount having regard to expected transaction costs. Spreads may be changed as outlined below.

There are no other one-off fees currently being charged to any investor on an individual basis.

## Example of how fees apply to an investor

The Smith Charitable Trust invests \$100,000 in the International Share Fund. A buy-spread of 0.27% is incorporated in the unit price that the trust pays for its investment. This equates to \$270.

This brings the starting value of its investment to \$99,730.

The Smith Charitable Trust is also charged management and administration fees which work out to about \$479 (0.48% of \$99,730). These fees might be more or less if its account balance has increased or decreased over the year.

### Estimated total fees for the first year

Individual action fees: \$270.

Fund charges: \$479.

See the latest fund update for an example of the actual returns and fees investors were charged over the past year (when prepared).

This example applies only to the International Share Fund. If you are considering investing in other Funds, this example may not be representative of the actual fees you may be charged.

## The fees can be changed

The Manager's fee, Supervisor's fee and total management fee and expense cap may be changed on 3 months' prior notice to unit holders in the relevant Fund. The buy/sell-spreads for Funds may be changed by us at any time without prior notice, subject to the maximum levels in respect of each Fund (currently 5% of application money received for the buy-spread and 5% of the current unit value of units to be redeemed for the sell-spread). A change to the maximum level requires the approval of unitholders of that Fund by extraordinary resolution.

Investment manager's fees and custodian's fees may be altered by agreement between us and the investment manager, or the Supervisor and the custodian, as applicable. Fees not currently charged may be introduced at any time as permitted by the Trust Deed.

Subject to the above, fees may be changed during a redemption notice period, or where a suspension or deferral of redemptions is in place.

Trust Management must publish a fund update for each Fund showing the fees actually charged during the most recent year. Fund updates, including past updates, are available on the offer register at <https://disclose-register.companiesoffice.govt.nz/disclose> (when prepared).

## 6. WHAT TAXES WILL YOU PAY?

The Funds are each a Portfolio Investment Entity (PIE).

The amount of tax you pay in respect of a PIE is based on your prescribed investor rate (PIR). To determine your PIR, go to <https://www.ird.govt.nz/roles/portfolio-investment-entities/find-my-prescribed-investor-rate>. If you are unsure of your PIR, we recommend you seek professional advice or contact the Inland Revenue Department. It is your responsibility to tell us your PIR when you invest or if your PIR changes. If you do not tell us, a default rate may be applied. If the rate applied to your PIE income is lower than your correct PIR you will be required to pay any tax shortfall as part of the income tax year-end process. If the rate applied to your PIE income is higher than your PIR any tax over-withheld will be used to reduce any income tax liability you may have for the tax year and any remaining amount will be refunded to you.

Tax can have significant consequences for investments. If you have queries relating to the tax consequences of investing in the Funds, you should obtain professional advice on those consequences.

For more information in relation to taxation refer to the “Trust Management PIE Funds: Other Material Information” document on the Disclose register.

## 7. WHO IS INVOLVED?

### About Trust Investments Management Limited

Trust Management is the manager of the Funds.

You can contact at us at:

Level 4, 123 Carlton Gore Road, Newmarket  
Auckland 1023  
PO Box 37 448, Parnell  
Auckland 1151

Phone: 0800 550 4040

### Who else is involved?

Title	Name	Role
Supervisor	The New Zealand Guardian Trust Company Limited	Responsible for supervising the Manager.
Custodian of each Fund (other than the Sustainable Australasian Share Fund and the NZ Bond Fund)	The New Zealand Guardian Trust Company Limited (acting through its nominee company TIM Nominees Limited)	Holds the assets of those Funds on trust.
Custodian of Sustainable Australasian Share Fund and the NZ Bond Fund	Trustees Executors Limited	Appointed by the Supervisor to hold the assets of those Funds on the Supervisor’s behalf.
Investment Manager of Sustainable Australasian Share Fund	Harbour Asset Management Limited	Appointed by the Manager as investment manager of the Sustainable Australasian Share Fund.  Makes decisions about what that Fund invests in.

## 8. HOW TO COMPLAIN

Complaints about your investment can be made to the Manager using the contact details in Section 7 (Who is involved?).

If we are unable to resolve your complaint, you may choose to contact the Supervisor at:

The New Zealand Guardian Trust Company Limited  
Level 6  
191 Queen Street  
Auckland 1010

Phone: 0800 87 87 82  
Attention: General Manager, Corporate Trusts

Trust Management is a member of an independent dispute resolution scheme operated by the Insurance and Financial Services Ombudsman (“**IFSO**”) and the Supervisor is a member of an independent dispute resolution scheme operated by Financial Services Complaints Limited (“**FSCL**”).

If you make a complaint to us and the complaint cannot be resolved, then you may refer it to the IFSO:

*Insurance & Financial Services Ombudsman Scheme  
Level 2, Solnet House  
70 The Terrace  
Wellington 6143  
PO Box 10-845  
Wellington 6143*

*Phone: 0800 888 202*

IFSO will not charge a fee to you to investigate or resolve a complaint.

If you have made a complaint to the Supervisor, and it has not been resolved, you can refer it to FSCL at:

*Financial Services Complaints Limited  
4th Floor, 101 Lambton Quay  
Wellington 6011  
PO Box 5967  
Wellington 6145*

*Phone: 0800 347 257*

FSCL will not charge you a fee to investigate or resolve a complaint.

## 9. WHERE YOU CAN FIND MORE INFORMATION

Further information relating to Funds (e.g., financial statements) is available on the offer register and the scheme register at <https://disclose-register.companiesoffice.govt.nz/disclose> and a copy of information on the offer register or scheme register is available on request to the Registrar of Financial Service Providers using the contact details on <https://disclose-register.companiesoffice.govt.nz/disclose>.

You can also obtain the following information, free of charge:

Information	How to obtain
Latest unit price	The latest unit price is available on our website <a href="http://www.trustmanagement.co.nz">www.trustmanagement.co.nz</a> .
Fund information relevant to you	You can inspect documents we hold that are relevant to you, and other documents that are legally required to be provided to you, at our offices during normal business hours, or request an extract of those documents, by written request to us.
Fund updates	Once available, the fund updates for the Funds will be publicly available from our website and can be requested from us.

If you invest in the Funds, we will send you confirmation information relating to your transactions when units are issued to you, as well as when you withdraw or transfer your units, and make available to you an annual report in respect of the scheme. We will also send you quarterly distribution statements setting out the distributable income paid to you in respect of your investment in the Funds.

You can find general information about us, the Funds, and our management team on our website [www.trustmanagement.co.nz](http://www.trustmanagement.co.nz).

## 10. HOW TO APPLY

If you would like to invest in a Fund, complete the application form at the back of this document and return it to us at the address set out in Section 7 (Who is involved?) together with payment.

## TRUST MANAGEMENT PIE FUNDS

### APPLICATION FORM

#### A. INVESTOR DETAILS

##### Instructions

Provide your full name(s) and address.

Supply your IRD number (this is a legal requirement).

Supply your Charities Registration Number (as issued by the Department of Internal Affairs), if applicable.

Attach a copy of your Resident Withholding Tax Exemption Certificate to your application, if applicable.

Are you a current unit holder in a Fund?

Yes

No

Account No.

Name of account (legal name of investor)

Trading name of entity (if different from legal name)

Country of registration or incorporation

Date of registration or incorporation

IRD Number

Prescribed Investor Rate (PIR)

Charities Registration Number (if applicable)

Email address for Fund communications and statements

Nature of entity activity/purpose

Registered or physical address (not a PO Box number)



Postal address (if different from above)




##### Instructions

Each of the following persons associated with this application must complete the following authorised signatory / associated person section:

- Trustee.
- Company director, shareholders who are not directors or officers but who control more than 25% of the investor or other person on whose behalf the investment is made.
- Authorised official or officer (e.g. president of society).
- Any other person authorised to operate this investment account or who has the ability to significantly influence decisions of the investor (effective control) or other person on whose behalf the investment is made.

If there are more than three persons associated with this application, please ask us for further copies of the application form, as each associated person will need to provide their details.

## SIGNING INSTRUCTIONS

Please indicate how many of the below authorised signatories may sign in relation to this investment

All to sign  Any 1 to sign  Any 2 to sign

## AUTHORISED SIGNATORY / ASSOCIATED PERSON

Authorised signatory Yes  No

Title Mr  Mrs  Miss  Ms  Other

Surname

First Names

Date of Birth

Phone No.

Postal address

Email Address

Relationship to investor

(e.g. trustee, director)

Any former names known by

(e.g. maiden name, former married name, alias)

### **Instructions**

The Anti-Money Laundering and Countering Financing of Terrorism Act 2009 requires verification of the identity of all new investors.

Please provide certified evidence of identity and proof of residential address for each and every authorised signatory and associated person.

If you are unsure of what to provide, please refer to section D or contact Trust Management for further information.

**AUTHORISED SIGNATORY / ASSOCIATED PERSON**

Authorised signatory

Yes

No

Title

Mr

Mrs

Miss

Ms

Other

Surname

First Names

Date of Birth

Phone No.

Postal address

Email Address

Relationship to investor

(e.g. trustee, director)

Any former names known by

(e.g. maiden name, former married name, alias)

**Instructions**

The Anti-Money Laundering and Countering Financing of Terrorism Act 2009 requires verification of the identity of all new investors.

Please provide certified evidence of identity and proof of residential address for each and every authorised signatory and associated person.

If you are unsure of what to provide, please refer to section D or contact Trust Management for further information.

**AUTHORISED SIGNATORY / ASSOCIATED PERSON****Authorised signatory**

Yes

No

Title

Mr

Mrs

Miss

Ms

Other

Surname

First Names

Date of Birth

Phone No.

Postal address

Email Address

Relationship to investor

(e.g. trustee, director)

Any former names known by

(e.g. maiden name, former married name, alias)

**Instructions**

The Anti-Money Laundering and Countering Financing of Terrorism Act 2009 requires verification of the identity of all new investors.

Please provide certified evidence of identity and proof of residential address for each and every authorised signatory and associated person.

If you are unsure of what to provide, please refer to section D or contact Trust Management for further information.

**AUTHORISED SIGNATORY / ASSOCIATED PERSON****Authorised signatory**

Yes

No

Title

Mr

Mrs

Miss

Ms

Other

Surname

First Names

Date of Birth

Phone No.

Postal address

Email Address

Relationship to investor

(e.g. trustee, director)

Any former names known by

(e.g. maiden name, former married name, alias)

**Instructions**

The Anti-Money Laundering and Countering Financing of Terrorism Act 2009 requires verification of the identity of all new investors.

Please provide certified evidence of identity and proof of residential address for each and every authorised signatory and associated person.

If you are unsure of what to provide, please refer to section D or contact Trust Management for further information.

## B. INVESTMENT DETAILS

### *Instructions*

Enter the amount you wish to invest in the Funds.

The minimum initial investment amount is \$25,000 per Fund and \$5,000 for each additional investment.

Fund	Amount of Investment
Trust Management – Property Fund	
Trust Management – Sustainable Australasian Share Fund	
Trust Management – NZ Bond Fund	
Trust Management – International Share Fund	
Trust Management – International Bond Fund	
Trust Management – Balanced Fund	

What is the source of the monies being invested?

What are the normal sources of income for the entity investing?

### C. DISTRIBUTION DETAILS

I/we elect to receive income distributions as follows:

(tick **one** box)

Reinvest all income distributions in additional units in the relevant Fund

or

Pay income distributions by direct credit to the bank account nominated below

### NOMINATED BANK ACCOUNT DETAILS (Income Distributions)

#### *Instructions*

If you have elected to be paid income distributions from the Funds by direct credit, please provide details of your nominated bank account below, and provide **one** of the following dated within the last three months as proof of the nominated bank account:

- Bank statement; or
- Printed copy of an online bank statement (this must show the name of the bank account, the bank account number and the logo of your bank); or

A bank generated deposit slip.

Account Name

Account Details

Bank

Branch Number

Account Number

Suffix

### D. PAYMENT

Payment can be made directly to the "TIM PIE Funds" by depositing funds into the application account: **01 0102 0534214 000**

No application will be processed until an original application form and the funds have been received and AML verification has been completed

We have absolute discretion whether to accept or refuse any application without giving any reason.

## E. IDENTITY VERIFICATION REQUIREMENTS

### Identity related documents

The Anti-Money Laundering and Countering Financing of Terrorism Act 2009 requires verification of the identity of all new investors.

Each person associated with this application (as specified in Section A above) must provide certified evidence of their identity and proof of their residential address, as follows.

#### **Identity Documents -**

- Passport, or
- Birth certificate or certificate of citizenship, together with one of the following – New Zealand drivers licence, or HANZ 18+ card, or current international driving permit, or
- New Zealand drivers licence, together with one of the following – Bank statement addressed to the person within the last three months, or any New Zealand Government Department statement addressed to the person within the last three months, or New Zealand SuperGold Card

#### **Proof of residential address -**

If proof of residential address has not been provided with the identity documents above, please provide **one** of the following that includes your name and address:

- Bank statement dated within the last three months; or
- Any New Zealand Government Department statement dated within the last three months; or
- New Zealand utility company statement (e.g. electricity, gas, phone) dated within the last three months.

### Certifying identity documents

All copies of the above identity and address documents must be completely legible with clear photos. They must be certified by an Approved Person (at least 16 years of age) as being a true reproduction of the original document.

An Approved Person can be a Justice of the Peace, New Zealand registered lawyer, New Zealand chartered accountant, registered teacher, doctor, Police Officer, Notary Public or Member of Parliament who is not related to you, is not your spouse or partner, and does not live at the same address.

The Approved Person must view the original document (not a fax, photocopy or scan) before writing their name, occupation, date and signature and a statement as follows:

*"I certify this to be a true copy of the original document and confirm that it represents the identity of (full name)."*

Certification is valid for three months.

If you are not able to arrange certified copies of the identity and address documents, you will need to bring originals in to the Trust Management office for us to view face to face.

#### **Additional documents**

Copies of the following documents (where applicable) must be submitted with the application form:

- Trust Deed (including amendments and any subsequent trustee appointment documentation).
- For a charitable trust, please provide a description of each class or type of beneficiary and the objects of the trust.
- Company certificate of incorporation.
- Constitution, charter or rules for an incorporated society or association.

Trust applications must be signed by all trustees unless evidence is provided showing alternative signing authorities.

Company applications must be signed by all directors or the minimum number of directors required by the company's constitution.

Incorporated society or association applications must be signed by authorised persons in accordance with the relevant constitutive documents.

#### **Attorneys**

Any person signing as an attorney for another person must provide their personal identity and address documents as described above, and a copy of the power of attorney and a certificate of non-revocation.

**F. DECLARATION AND SIGNATURE**

I / We, the undersigned:

\* have received and read the Product Disclosure Statement dated **30 October 2020** to which this application form was attached and agree to be bound by the terms and conditions of the Trust Deed (including the establishment deeds governing the Funds), the Product Disclosure Statement and any regulatory register entry (each as amended, added or replaced) relating to the Trust Management PIE Funds;

\* acknowledge that this application to acquire units in the Fund(s) may not be withdrawn or revoked by me/us;

\* understand that the Manager and the Supervisor and their related entities will hold personal information in respect of me/us in relation to my/our investment. I/we consent to the Manager and the Supervisor disclosing personal information to any administrator, auditor, custodian or any other person as required for the proper administration of the investment. I/we authorise the Supervisor and the Manager to disclose my/our personal information to the Financial Markets Authority;

\* understand that I/we may request to see and, if necessary, request the correction of personal information;

\* declare that all details and statements made by me/us in this application form are complete and accurate; and

\* understand that none of the Supervisor, the Manager, any director or nominee of those entities, or any other person guarantees the performance or obligations of the Funds.

Signature(s) of applicant(s) (Companies must execute as a deed):

Signature 1

Signature 2

Signature 3

Signature 4

Date:     /     /

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**INVESTOR CHECKLIST**

The following information must be supplied for your investment to proceed if you are a new investor:

- Have you provided a copy of your Certificate of Exemption from Resident Withholding Tax, if applicable?
- Have you provided evidence of identity and address in accordance with Section D of the application form, for each person associated with the investment?
- Have you provided any power of attorney and certificate of non-revocation of power of attorney?
- Have you attached a completed application form, including a list of authorised signatories and details for all persons associated with the investment?
- Have you arranged for direct transfer?

Return the completed application form to:

*Trust Investments Management Limited  
Level 4, 123 Carlton Gore Road  
Newmarket  
Auckland 1023  
P O Box 37 448  
Parnell  
Auckland 1151*

Confirmation of your investment will normally be posted within a week of the issue of units to you.