



**kōura KiwiSaver Scheme**  
**Replacement PDS**

# Product Disclosure Statement (PDS)

**Issued by kōura Wealth Limited**  
**15 November 2023**

This document replaces the  
product disclosure statement  
dated 8 November 2023



This document gives you important information about this investment to help you decide whether you want to invest. There is other useful information about this offer on [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose). kōura Wealth Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial advice provider 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. Kōura Wealth Limited (**we, our or us**) will invest your money and charge you a fee for its services. The returns you receive are dependent on our investment decisions and the performance of the investments. The value of these 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 Kōura KiwiSaver Scheme (**Scheme**) has 13 investment options made up of nine funds (**Funds**) and four investment strategies (**Investment Strategies**) representing exposure to different types of assets. These investment options are summarised below. More information about the investment targets and strategy for each of these Funds is provided in Section 3 (Description of your investment options).

### Who manages the Scheme?

Kōura Wealth Limited is the manager of the Scheme. See section 7 of this document (Who is involved?) for more information.

### How can you get your money out?

KiwiSaver is designed to help you save for your future, therefore under most circumstances you will not be able to withdraw your investment until you reach age 65. If you joined KiwiSaver or a complying fund before 1 July 2019 and were aged 60 or over when you joined, a 5-year minimum membership requirement applies. You can transfer your investment to another KiwiSaver scheme at any time.

In certain circumstances, like if you buy your first home, suffer a serious illness, have a life shortening congenital condition or significant financial hardship, you may be able to make an early withdrawal. See section 2 (How Does this Investment Work?) for further information.

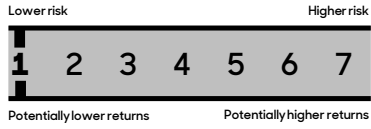
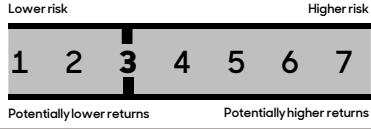
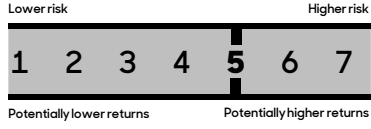
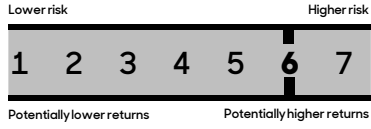
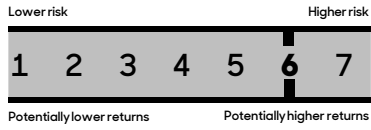
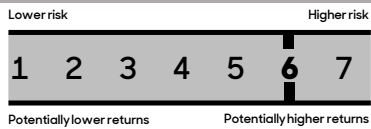
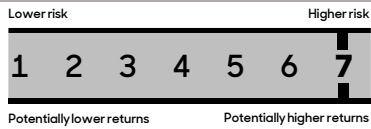
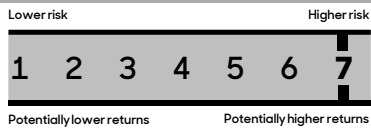
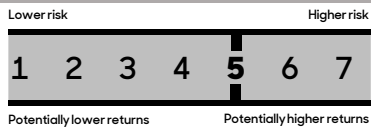
### How will your investment be taxed?

The Scheme is a portfolio investment entity (**PIE**). The amount of tax you pay in respect of a PIE is based on your prescribed investor rate (**PIR**). This can be 10.5%, 17.5% or 28%. See section 6 of the PDS (What taxes will you pay?) on page 17 for more information.

### Where can you find more key information?


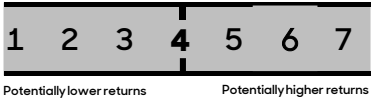

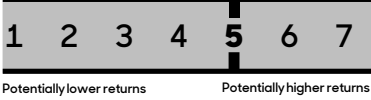
We are required to publish quarterly updates for each Fund. The updates show the returns, and the total fees actually charged to investors, during the previous year. The latest fund updates are available at [www.kourawealth.co.nz](http://www.kourawealth.co.nz). We will also give you copies of these documents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

## Our Funds

	Fund	Description and Objective	Risk Indicator <sup>1</sup>	Annual fund charges (% of net asset value <sup>2</sup> )
Core Income Funds	Cash Fund	Provide investors with a high degree of liquidity by investing in bank products and short dated fixed income instruments.		0.63%
	Fixed Interest Fund	Provide investors exposure to the New Zealand Fixed Income market.		0.63%
Core Growth Funds	NZ Equities Fund	Provide investors exposure to the New Zealand share market.		0.63%
	US Equities Fund	Provide investors exposure to the US stock market.		0.63%
	Rest of World Equities Fund	Provide investors exposure to share markets excluding the US, including those of Europe, Australasia, Singapore, Hong Kong, Japan and Israel.		0.63%
	Emerging Markets Equities Fund	Provide investors exposure to emerging markets including Eastern Europe, the Middle East, South America, Africa and Asia including China.		0.63%
Specialty Growth Funds	Carbon Neutral Cryptocurrency Fund	Provide investors exposure to cryptocurrency		1.10%
	Clean Energy Fund	Provide investors exposure to companies exposed to the transition to clean energy		1.10%
	New Zealand Property Fund	Provide investors exposure to the New Zealand property market		1.10%

## Our Investment Strategies

Kōura has 4 distinct Investment Strategies that are offered as investment bundles mixing the core kōura funds:

Portfolio	Description and Objective	Risk Indicator <sup>1,4</sup>	Annual fund charges (% of net asset value <sup>2</sup> )
<b>Conservative Strategy</b>	<p>Aims to provide stable returns over the longer term.</p> <p>The current investment mix<sup>3</sup> is:</p> <ul style="list-style-type: none"> <li>- 75% Income Assets</li> <li>- 25% Growth Assets</li> </ul>	<p>Lower risk <span style="float: right;">Higher risk</span></p> 	0.63%
<b>Balanced Strategy</b>	<p>Aims to provide a balance between stability of returns and growing your investment over the long term.</p> <p>The current investment mix<sup>3</sup> is:</p> <ul style="list-style-type: none"> <li>- 40% Income Assets</li> <li>- 60% Growth Assets</li> </ul>	<p>Lower risk <span style="float: right;">Higher risk</span></p> 	0.63%
<b>Growth Strategy</b>	<p>Aims to grow your investments over the longer run by having a small investment in fixed interest.</p> <p>The current investment mix<sup>3</sup> is:</p> <ul style="list-style-type: none"> <li>- 20% Income Assets</li> <li>- 80% Growth Assets</li> </ul>	<p>Lower risk <span style="float: right;">Higher risk</span></p> 	0.63%
<b>Aggressive Strategy</b>	<p>Aims to deliver growth of your investments by prioritising investment in growth assets with a very small allocation to fixed interest.</p> <p>The current investment mix<sup>3</sup> is:</p> <ul style="list-style-type: none"> <li>- 5% Income Assets</li> <li>- 95% Growth Assets</li> </ul>	<p>Lower risk <span style="float: right;">Higher risk</span></p> 	0.63%

Fund portfolios and investment strategies will be rebalanced semi annually – see section 2 (How does this investment work?) for more information.

See section 4 (What are the risks of investing?) 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 attitude to risk, you can seek independent financial advice or work out your risk profile at [www.sorted.org.nz/tools/investor-kickstarter](http://www.sorted.org.nz/tools/investor-kickstarter)

1. The Funds have been in existence for less than 5 years. Accordingly, the risk indicators have been prepared using a combination of actual returns and market index data. As a result, the risk indicator may provide a less reliable indicator of the potential future volatility of the Funds. The Core Income and Core Growth Funds started on 23 October 2019. The Carbon Neutral Crypto Currency Fund, the Clean Energy Fund and the New Zealand Property Fund were launched on 6 May 2022. To calculate the risk indicator for the five-year period ending 30 June 2023, market index returns have been used up to the month end of the fund launch with actual fund returns used for the balance of the period. The Carbon Neutral cryptocurrency fund uses the Bitcoin reference price sourced from Factset for the period prior to 30 May 2022.
2. In addition to the annual fund charges above, you will also be charged an administration fee of \$30 per annum per member if you are over the age of 18
3. Actual investment mix will be determined by the kōura Investment Committee (within the parameters set out in Section 7 of the OMI) and will be published on the kōura website monthly. Investors will be rebalanced every 6 months to the mix of funds that made up the relevant Investment Strategy at the time of rebalancing, rather than the mix of funds that made up the relevant Investment Strategy when the investor selected to enter into the Investment Strategy.

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## 2. How does this investment work?

### The Scheme

The Scheme is a KiwiSaver Scheme established under the Financial Markets Conduct Act 2013. The Scheme is designed to help you save for purchasing your first home or saving for your retirement.

The Scheme is designed to ensure that investors are able to invest in a portfolio of funds that meets their personal objectives, risk appetite and investment preferences.

You may invest in the scheme by either:

- i) **Using the kōura digital advice tool** – this tool will help you select an appropriate portfolio of Funds to match your personal objectives, risk appetite and investment preferences;
- ii) **Choosing a specified kōura investment strategy** – kōura offers a number of Investment Strategies, combining the kōura funds to create strategies in line with other more traditional KiwiSaver offerings (e.g. Aggressive, Growth, Balanced and Conservative); or
- iii) **Building your own portfolio of funds** – you may allocate funds to the any of the 9 funds as per your preferences (subject to the Maximum Investment Thresholds)

You will need to request to invest in a Specialty Growth Fund, neither the digital advice tool or the kōura Investment Strategies will allocate a Specialty Growth Fund for you unless you specifically request it.

### Facilitator assistance

If you would like extra assistance with the management of your KiwiSaver you have the ability to use the facilitator service. Amongst other things, the facilitator service will:

- assist you to choose the appropriate KiwiSaver portfolio for you;
- provide you with a point of contact if you have any questions on your KiwiSaver; and
- encourage you to undertake your annual KiwiSaver reviews, maximise your Government contributions and provide other forms of assistance as required to ensure you maximise your KiwiSaver.

These services will be provided by either kōura, or alternatively an external facilitator who has introduced you to kōura.

To receive this higher level of service, you will agree to pay an ongoing additional fee of 0.30% per annum of your KiwiSaver balance. This fee will be deducted from your KiwiSaver balance monthly and paid directly to your facilitator.

If at any point in time after the first 12 months of having used the facilitator service, you feel you no longer need the services of your facilitator, you are able to inform the facilitator or kōura directly and this charge will be stopped.

### Rebalancing

Your portfolio of Funds will be rebalanced semi-annually.

If you have selected your own portfolio, or used the digital advice tool to choose a portfolio, at the time of rebalancing, your portfolio will be rebalanced to the proportion of each fund that you chose when you selected your portfolio.

If you have selected a kōura Investment Strategy, at the time of rebalancing, you will be rebalanced to the mix of kōura Funds that the kōura investment committee has determined should make up that Investment Strategy.

If you are invested in the Carbon Neutral Cryptocurrency fund you will be rebalanced at the earlier of semi-annually or if the value of the Carbon Neutral Cryptocurrency Fund becomes greater than 15% of your portfolio.

## How does this investment work?

The Scheme enables you to pool your money with other members in your chosen Funds. The pool is used to buy investments that are managed on behalf of all investors in the Scheme. You will purchase units in the Fund using the contributions made by you, or on your behalf by your employer.

Each unit you buy will have a price calculated each business day based on the value of the Fund's assets at the time (the **Unit Price**). Your investment return is represented by a change (an increase or decrease) in the unit price of the Fund(s) that you invest in. The Unit Price will go up and down every day reflecting the movement in the value of the underlying assets held by the Fund.

The value of your holdings in each Fund on any given business day represents your interest in the Scheme. This interest is held in an account in your name. It is important to understand that this interest will not give you any right to any particular assets of a Fund in which you are invested.

KiwiSaver is a long term investment and you will only be able to withdraw your investment in the Scheme in certain circumstances set out below. When you become eligible to withdraw, your interest in the Scheme will be redeemed for cash. There are no regular distributions from the Scheme.

The Scheme is a trust governed by a trust deed between us as the Manager and Public Trust as the Supervisor. Fund assets are held by an independent custodian appointed by the Supervisor. The Fund assets are held independently of the manager and the other Funds. The assets of a Fund can only be used to meet the liabilities of that Fund.

There is no Crown guarantee in respect of any KiwiSaver scheme or investment product of a KiwiSaver scheme.

Responsible investment, including environmental, social and governance considerations, is taken into account in the investment policies and procedures of the Scheme as at the date of this product disclosure statement. You can obtain an explanation of the extent to which responsible investment is taken into account in those policies and procedures at the issuer's website at [www.kourawealth.co.nz/documents](http://www.kourawealth.co.nz/documents).

## What are the benefits?

There are a number of benefits to the Scheme:

- **Personalised Portfolio:** you have access to 9 different Funds to allow you to build a Portfolio that matches your risk appetite, objectives and personal investment preferences;
- **Access to Specialty Growth Funds:** you can invest in our Specialty Growth Funds to diversify your KiwiSaver portfolio providing you with exposure to non-traditional financial assets and themes. These assets are potentially higher risk than traditional KiwiSaver funds though can provide diversification benefits in a broader KiwiSaver portfolio; and
- **Socially responsible investing:** a set of Environmental, Social and Governance criteria are used by all of our Funds.

## Joining the Scheme

You may join the Scheme if you are:

- a New Zealand citizen, or entitled to live in New Zealand indefinitely, and
- living or normally living in New Zealand (with some exceptions).

In order to join the Scheme you will need to either visit the Kōura website and sign up via the online form or talk to an accredited kōura facilitator.

## Making investments

There are three ways to contribute to the Scheme.

### 1. You contribute

If you are a salary or wage earner you can choose to contribute either 3%, 4%, 6%, 8% or 10% of your before-tax salary or wages. If you don't choose an amount, the default rate of 3% will apply.

Your employer will automatically deduct these contributions and send them to us via Inland Revenue. You can change your contribution rate at any time, or, if you've been a KiwiSaver member for 12 months, you are able to take a break from making KiwiSaver contributions from your pay – this is called a savings suspension. A savings suspension can be a period of between 3 months and 1 year and there is no limit to the number of times you can take a savings suspension. You may also renew it at any time.

If you are self-employed you can set up regular payments direct to your account with us.

Any member can also make voluntary payments (or lump sum payments) at any time.

### 2. Your employer contributes

If you are contributing through your before-tax salary or wages, your employer is also required to make regular contributions to your KiwiSaver provided that:

- they are not already paying into another eligible registered superannuation scheme for you;
- you are between the ages of 18 and 65<sup>1</sup>; and
- you are not on a savings suspension.

The minimum your employer must contribute is equal to 3% of your before-tax salary or wages.

Employer Superannuation Contribution Tax is deducted from your employer contributions before they are applied to your KiwiSaver account.

### 3. The Government contributes.

If you are a contributing member aged 18 and over and mainly live in New Zealand, the Government will make an annual contribution to your KiwiSaver account. This is known as the Government contribution.

The maximum annual Government contribution you are entitled to is \$521.43. To get this you will have to contribute at least \$1042.86 a year. The Government contribution ceases when you reach age 65<sup>1</sup>.

1 If you joined KiwiSaver or a complying fund before 1 July 2019 and were aged 60 or over when you joined, a 5-year minimum membership requirement applies. During this 5-year period you are entitled to Government and compulsory employer contributions. You can opt out of this 5-year period, however you will no longer be eligible to receive Government and compulsory employer contributions.



## Withdrawing your Investments

Because KiwiSaver is designed to be a long term investment to help you save for retirement, generally you cannot withdraw your investment until you have reached the age of 65. However there are limited circumstances where you can withdraw all, or some of your investment early.

We set out what you can withdraw, and when in further detail in the table below:

Reason for withdrawal	What you can withdraw					Further conditions
	Your Contributions	Employer Contributions	Government Contributions	Transferred Superannuation Savings from Australia	Kickstart Contribution <sup>1</sup>	
You've reached the age of 65 <sup>2</sup>	✓	✓	✓	✓	✓	
You want to buy your first home	✓	✓	✓			You must leave a minimum balance of \$1,000 in your account
You want to withdraw for financial hardship	✓	✓		✓		You will need to provide a statutory declaration that includes your assets and liabilities
You have a serious illness	✓	✓	✓	✓	✓	You will need to provide medical evidence to support your withdrawal request.
You move overseas	✓	✓			✓	
You move to Australia	✓	✓	✓	✓	✓	You can transfer your balance to an Australian complying scheme
Death	✓	✓	✓	✓	✓	
Congenital life-shortening illness	✓	✓	✓	✓	✓	You will require medical evidence to support your withdrawal request.
You want to withdraw your Australian Savings from age 60				✓		You will need to sign a statutory declaration that you do not intend to work again

There are further conditions for these withdrawal options. Please see the OMI document on the offer register for the Scheme at <https://disclose-register.companiesoffice.govt.nz/> for more information.

When you reach age 65 and are eligible to withdraw your investments, there are a number of ways you can receive your investment. You may withdraw a lump sum, make regular withdrawals or stay in the Scheme.

If you die, we will pay the balance of your investment to your estate.

1 The kickstart contribution was a \$1,000 tax free Government contribution made to all KiwiSaver members who joined before 21 May 2015.

2 If you joined KiwiSaver or a complying fund before 1 July 2019 and were aged 60 or over when you joined, a 5-year minimum membership requirement applies. You can opt out of this 5-year period, however you will no longer be eligible to receive the Government and compulsory employer contributions.

For a first home withdrawal, you are required to have at least \$1,000 in your account after the withdrawal, plus any money transferred from an Australian superannuation scheme.

If you emigrate to Australia your investment may, at your request, be transferred to an Australian superannuation scheme that has membership criteria similar to KiwiSaver. Other conditions may apply when withdrawing your investment in the circumstances set out above.

For a life-shortening congenital illness withdrawal, in addition to providing medical evidence, you will need to complete a statutory declaration to acknowledge you understand your KiwiSaver funds are to be released to you as if you had reached age 65, and after the withdrawal of the funds, you will no longer eligible to receive Government contributions or compulsory employer contributions.

## How to switch between Funds

You may switch between Funds at any time through the online portal which can be found at [my.kourawealth.co.nz](https://my.kourawealth.co.nz). You will be provided with a login and password once you have signed up. You will not be charged to switch between Funds.

## 3. Description of your investment options

The kōura KiwiSaver scheme offers 10 Funds into which you can invest; these Funds fall into 3 separate categories:

- **Core Income Funds:** lower risk funds that are appropriate for investors who are close to retirement or purchasing their first home or as a diversification tool to reduce the volatility of a broader portfolio of growth funds. Income funds typically deliver lower returns, though will have lower likelihood (though it can still happen) of incurring a loss.
- **Core Growth Funds:** are higher risk, higher return funds invested in shares and other equities. These funds are intended to provide good long term growth, but may experience periods of significant volatility.
- **Specialty Growth Funds:** have the potential for high returns though can also be very high risk. Given their concentrated investment theme and potential for higher risk, Specialty Growth Funds are typically given a small allocation in a broader portfolio.

Each fund has a **Maximum Permitted Investment**. This is the maximum amount that you will be able to allocate your investment to in that specific fund. That maximum permitted investment has been determined by the kōura Investment Committee taking into consideration the risk characteristics of the underlying funds. The Maximum Permitted Investment relates only to the contributions and rebalancing. Due to market movements, it is likely that your holding in the fund will exceed the Maximum Permitted Investment from time to time.

On the kōura website there is a digital advice tool which will help you build an appropriate selection of funds to match your objectives and risk tolerance. An allocation to a Specialty Growth Fund will only be suggested for you if you request to invest in a Specialty Growth Fund. If you do not specifically request to invest in a Specialty Growth Fund, the digital advice tool will not include any allocation to a Specialty Growth Fund in your recommended portfolio. If you do request to invest in a Specialty Growth Fund, the digital advice tool will generate a recommended allocation.

## A. The kōura Funds

Fund	Summary of the investment objectives and strategy (including target investment mix)	Target investment mix	Risk Category <sup>1</sup>	Minimum suggested investment timeframe	Maximum permitted investment
<b>Core Income funds</b>					
<b>Cash Fund</b>	Provides a high degree of liquidity to investors seeking short term security or are close to buying their first home.  Invests in NZD bank deposits, and short dated fixed interest securities.	100% Cash and cash equivalents	1	n/a	100%
<b>Fixed Interest Fund</b>	Provide investors with a stable return and acts as a balance to the Growth funds in a KiwiSaver portfolio. Invests in a range of Investment Grade New Zealand fixed income products.	99% NZ Fixed Interest 1% Cash	3	3 years	100%
<b>Core Growth funds</b>					
<b>NZ Equities Fund</b>	Provide investors with an exposure to the New Zealand economy by investing in New Zealand shares.	99% NZ Equities 1% Cash	5	9 years	100%
<b>US Equities Fund</b>	Provide investors with an exposure to the US and global economies by investing in companies listed in the US.	99% International Equities 1% Cash	6	9 years	100%
<b>Rest of World Equities Fund</b>	Provide investors with an exposure to the developed worlds economies excluding the USA. Will invest in companies listed in markets such as Europe, Australasia, Singapore, Hong Kong, Japan and Israel.	99% International Equities 1% Cash	6	9 years	100%
<b>Emerging Markets Equities Fund</b>	Provide investors with an exposure to Emerging Markets. Will invest in companies invested in markets such as Eastern Europe, Middle East, South America, Africa and Asia including China.	99% International Equities 1% Cash	6	9 years	50%
<b>Specialty Growth Funds</b>					
<b>Carbon Neutral Cryptocurrency Fund</b>	Provide investors with exposure to cryptocurrencies.  The carbon used by the cryptocurrency assets that the Fund has indirectly invested in will be offset annually (retrospectively) through a carbon offset program.  The Fund is only appropriate for investors that have a very long investment horizon and who are willing and able to withstand significant volatility. The Fund is expected to deliver a 50% loss every 1-2 years.	99% International Equities 1% Cash	7	10+ years	10%

Fund	Summary of the investment objectives and strategy (including target investment mix)	Target investment mix	Risk Category <sup>1</sup>	Minimum suggested investment timeframe	Maximum permitted investment
<b>Clean Energy Fund</b>	Provide investors with exposure to companies involved in clean energy and the global transition away from fossil fuels.	99% International Equities 1% Cash	7	10 years	10%
<b>New Zealand Property Fund</b>	Provide investors with exposure to the New Zealand property market. Will invest in New Zealand listed Real Estate Investment Trusts, Retirement Villages and any other companies that are deemed to have a high exposure to the New Zealand property market.	99% NZ Equities (all exposed to the property sector) 1% Cash	5	7 years	10%

1. The Funds have been in existence for less than 5 years. Accordingly, the risk indicators have been prepared using a combination of actual returns and market index data. As a result, the risk indicator may provide a less reliable indicator of the potential future volatility of the Funds. The Core Income and Core Growth Funds started on 23 October 2019. The Carbon Neutral Crypto Currency Fund, the Clean Energy Fund and the New Zealand Property Fund were launched on 6 May 2022. To calculate the risk indicator for the five-year period ending 30 June 2023, market index returns have been used up to the month end of the fund launch with actual fund returns used for the balance of the period. The Carbon Neutral cryptocurrency fund uses the Bitcoin reference price sourced from Factset for the period prior to 30 May 2022.

## B. The kōura Investment Strategies

Kōura has a number of investment strategies that investors can choose. When choosing an Investment Strategy you will be investing in a predetermined combination of the kōura core funds.

If you choose an Investment Strategy, you will be automatically rebalanced every 6 months back to the target fund mix of that strategy at the time of rebalancing. The actual mix of funds for each Investment Strategy will be determined on a monthly basis using a formula set by the kōura Investment Committee. The range of potential fund choices is set out in Section 7 the Other Material Information Document available on the kōura website.

Fund Option	Summary of the investment objectives and strategy	Current Fund Allocation <sup>3</sup>						Risk Category <sup>2</sup>	Minimum suggested investment timeframe	Fees
		Cash Fund	Fixed Interest	NZ Equities	US Equities	EM Equities	ROW Equities			
<b>Conservative Strategy</b>	Prioritises stability over the long term by investing mainly in fixed interest assets	20.0%	55.0%	4.2%	10.2%	2.0%	4.6%	3	0-5 years	0.63%
<b>Balanced Strategy</b>	Provides a balance between stability of returns and growing your investment over the long term by investing in a mix of income and growth assets.	10.0%	30.0%	12.0%	29.3%	5.7%	13.0%	4	6 years	0.63%
<b>Growth Strategy</b>	Prioritises growing your assets, while providing some risk mitigation with an allocation to fixed interest assets.	0.0%	20.0%	16.0%	39.0%	7.7%	17.3%	5	9 years	0.63%
<b>Aggressive Strategy</b>	Prioritises growing your assets, by investing in growth assets, with only a very small allocation to fixed interest.	0.0%	5.0%	23.1%	43.9%	8.6%	19.4%	5	13+ years	0.63%

1. Risk indicators for the Investment Strategies have been calculated by using the returns of the underlying funds as described in footnote 1 above.

2. This represents the allocation as at the date of this Product Disclosure Statement. The kōura Investment Committee will review and reset those allocations on a quarterly basis, though the Investment Committee will always set allocations inside the ranges set out in the Other Material Information Document.

### C. Other Important Information

The SIPO sets out the investment policies and objectives for the Scheme and each of the Funds. This is reviewed at least annually. Given the passive nature of the Scheme, we do not expect the reviews to lead to material changes to the SIPO unless there are product changes or significant market developments. We may change the SIPO at any time by giving prior written notice to the Supervisor. Any material change will be notified to investors and mentioned in the Kōura KiwiSaver Scheme annual report.

The Carbon Neutral Cryptocurrency fund will offset the share of carbon related to its holdings of the cryptocurrency networks that it invests in. This will be completed retrospectively at the end of each financial year, kōura will report to investors at the end of each financial year what carbon has been offset and how the offsets have been achieved. More detail on the carbon offset process is included in the kōura Responsible Investing Policy (available at [www.kourawealth.co.nz/documents](http://www.kourawealth.co.nz/documents)).

The kōura Investment Committee has the ability to close and liquidate an individual fund if it believes that it is no longer an appropriate investment for KiwiSaver investors in a diversified investment portfolio. If this happens, you will be notified of this, the underlying assets of the funds will be sold, and your funds will be reinvested into Core Growth Funds in line with your chosen investment allocation at the time.

The SIPO is available at <https://disclose-register.companiesoffice.govt.nz/> on the Scheme register.

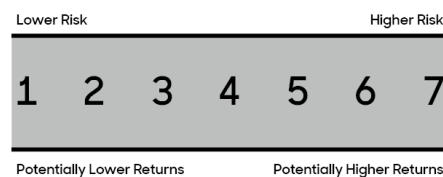
Further information about the assets in the Funds can be found in the fund updates at [www.kourawealth.co.nz](http://www.kourawealth.co.nz).

## 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.

Risk indicators for each Fund can be found in Section 3 (Description of your investment options).



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 independent financial advice or work out your risk profile at [www.sorted.org.nz/tools/investor-kickstarter](http://www.sorted.org.nz/tools/investor-kickstarter).

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 returns data for the 5-year period to 30 September 2023. 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 each Fund.

## General investment risks

Some of the things that cause the Funds' value to move up and down, which impact on the risk indicator, are:

- **Market risk**  
Financial markets can fluctuate in value for a multitude of different reasons. You should be prepared for declines in the value of your investments as a result of market movements.
- **Currency risk**  
Our foreign equity investments will not be fully hedged. The value of the foreign assets and currency can change (up or down) when there are movements in the exchange rate between the New Zealand Dollar and the currency of the underlying assets.
- **Liquidity risk**  
Low liquidity can mean a fund may be unable to sell its assets, which would affect the ability of the fund to make payments when needed (such as meeting withdrawal requests), or you may receive a lesser amount than expected if the assets have to be sold quickly and there are few buyers.
- **Interest rate risk**  
Fixed interest investments may become more or less valuable depending upon changes in interest rates. If market interest rates rise, existing fixed rate investments become less valuable because new fixed interest investments will pay the current, higher rate of interest, and vice versa when market interest rates fall. Interest rate risk is more applicable to the Fixed Interest Fund and Cash Fund.
- **Credit risk**  
A party to an investment contract may not honour their obligations or fail to complete transactions or may become insolvent. If this occurs in any of the investment contracts held by a fund, you may not recover the full amount of your investment in that fund.
- **Investment Manager Risk**  
The Investment Manager may make investment decisions that do not deliver the expected outcome.

## Other Specific Risks

These are other specific risks that may impact investors returns that are not reflected in the risk indicator

- **Cryptocurrency risk**  
The Carbon Neutral Cryptocurrency Fund will invest exclusively in assets that give it an exposure to the cryptocurrency. This is a new asset class and there are a number of risks with this asset class which could result in it losing its value in its entirety. Some of the specific risks include:
  - *Regulatory* - Regulatory changes may make it difficult to invest in or monetise cryptocurrency;
  - *Cyber security* - Hacking or cyber security breaches which may result in disruption to the network, corruption of the blockchain or the loss of individual cryptocurrency holdings by the fund, if lost it may be impossible to recover the assets;
  - *Network risk* - The blockchains upon which cryptocurrencies rely upon are no longer able to be maintained economically which will cause the currencies to fall in value;
  - *Product displacement* - The cryptocurrencies that we choose to invest in may be displaced by newer Cryptocurrencies resulting in a fall in value of the assets we hold;
  - *Market adoption risk* - Cryptocurrencies do not achieve the level of market adoption expected and demand for crypto currencies is reduced;
  - *Carbon offset risk* - We will offset the kōura share of any carbon emissions generated by the cryptocurrency networks that we invest in. The estimates we have made of the carbon emitted prove to be incorrect or the cost of the carbon offsets becomes too great so that we need to change the investment strategy or raise the costs of the fund

## 5. What are the fees?

You will be charged fees for investing in the Funds. Fees are deducted from your investments and will reduce your returns. If we invest in other funds, those funds may also charge fees. 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.
- One-off fees. There are currently no one-off fees charged in relation to the Funds.

Fund	Annual Fund Charges (% of net asset value) <sup>1</sup>	Other Charges <sup>1</sup>
Cash Fund	0.63	Administration fee of \$30 per annum for all members over the age of 18.
Fixed Interest Fund	0.63	
NZ Equities Fund	0.63	
US Equities Fund	0.63	
Rest of World Equities Fund	0.63	
Emerging Markets Equities Fund	0.63	
Clean Energy Fund	1.10	
New Zealand Property Fund	1.10	
Carbon Neutral Cryptocurrency Fund	1.10	
Conservative Strategy	0.63	
Balanced Strategy	0.63	
Growth Strategy	0.63	
Aggressive Strategy	0.63	

<sup>1</sup> All Fund Charges are exclusive of GST

### Annual fund charges

The annual fund charges comprise an annual investment management fee of 0.63% per annum charged on the total funds under management (calculated as net asset value). If you include Specialty Funds in your allocation the fee for these funds is 1.10% per annum charged on the total funds under management. These charges cover the fees of Kōura, any external fund managers, the Supervisor, the custodian and the administration manager. They also pay for other charges and expenses such as accounting and audit fees.

The annual fund charges exclude transaction costs incurred by the funds in which the Scheme invests and any hedging costs. Kōura has imposed a cap on its annual fund charges. The annual fund charge set out in the table above is the most you will pay. Kōura will bear the cost of any charges to the extent the cap is exceeded.

### Other charges

- **Administration fee**  
We have delegated the performance of certain administration management functions for the Scheme (including registry) to APEX Group (NZ) Limited (APEX). We and APEX are reimbursed from the Scheme's assets for the day-to-day administration of members' balances and for maintaining the member register for the Scheme. Currently the fee is \$30 per member per year paid monthly in arrears



(\$2.50 per member per month). This is a Scheme fee and not a per Fund fee, therefore you will pay the same fee no matter how many Funds you are invested into.

- **Individual action fees**

We do not currently charge contribution, establishment, termination, or withdrawal fees, and we intend that, for the foreseeable future, we will not introduce any such fees.

However, we could charge individual action fees or other fees in the future. If this happens, you may be charged other fees on an individual basis for investor-specific decisions or actions. See 'The fees can be changed' below for more information.

- **Facilitator fees**

If you have agreed to use the services of a facilitator to assist you with your investment, you may also be charged a facilitator fee. This fee will be 0.30% per annum of your account balance.

### **Example of how fees apply to an investor**

Lily invests \$10,000 in the NZ Equities Fund. This brings the starting value of her investment to \$10,000.

She is also charged management and administration fees, which work out to about \$63 (0.63% of \$10,000). These fees might be more or less if her account balance has increased or decreased over the year.

Over the next year, Lily pays other charges of \$30.

Estimated total fees for the first year:

Fund charges:	\$63 (0.63% of \$10,000)
Other charges (administration fee):	\$30 (\$2.50 per month)
Individual action fee:	Nil
Total fees:	\$93 per year

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

This example applies only to the NZ Equities Fund. If you are considering investing in other funds or investment options in the scheme, this example may not be representative of the actual fees you may be charged.

### **The fees can be changed**

We are entitled to alter charges (including increasing fees or introducing new fees) at any time with the prior approval of the Supervisor, subject to us providing members and the Supervisor with 30 days' prior written notice of each such fee increase or new fee. There are no limits on the charges that may be set, subject to the requirement under the KiwiSaver Act 2006 to not charge unreasonable fees. Details of the current charges are set out above and in the annual financial statements of the Scheme.

We 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 at [www.kourawealth.co.nz](http://www.kourawealth.co.nz).

## 6. What taxes will you pay?

The Scheme is a portfolio investment entity. The amount of tax you pay is based on your prescribed investor rate (PIR). To determine your PIR, go to <https://www.ird.govt.nz/roles/portfolio-investment-entities/using-prescribed-investor-rates>. 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 default rate, or the advised PIR, is lower than the correct PIR, you will need to complete a personal tax return, and pay any tax shortfall, interest, and penalties.
- If the rate applied to your PIE income is higher than your PIR any tax overpaid 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.

## 7. Who is involved?

### About Kōura Wealth Limited

Kōura Wealth Limited is the manager of the Scheme.

Our registered office is:

Level 1  
29 East Street  
Auckland, 1010

You can contact us by:

Calling us on 0800 527 547  
Emailing us at [info@kourawealth.co.nz](mailto:info@kourawealth.co.nz)  
Mailing us at PO Box 47404, Ponsonby,  
Auckland, 1144

Role	Name	Description
Supervisor	Public Trust	Supervises our management of the Scheme. The Supervisor is independent.
Custodian	APEX Group (NZ) Limited	Holds Scheme assets on behalf of investors.
Fund Administrator	APEX Group (NZ) Limited	Provides fund administration services

## 8. How to complain

### The Manager

Complaints about your investment or the Scheme can be made to us at:

Complaints Manager – Kōura Wealth  
PO Box 47404  
Ponsonby  
AUCKLAND 1144

Telephone: 0800 527 547  
Email: [info@kourawealth.co.nz](mailto:info@kourawealth.co.nz)

### The Supervisor

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

Public Trust  
Private Bag 5902  
WELLINGTON 6140

Telephone: 0800 371 471  
Email: [cts.enquiry@publictrust.co.nz](mailto:cts.enquiry@publictrust.co.nz)

### Independent Dispute Resolution Scheme

We are a member of the Financial Services Complaints Limited Scheme which is an independent dispute resolution scheme. If you make a complaint to us (or the supervisor), and the complaint cannot be resolved you may refer it to Financial Services Complaints Limited at:

Financial Services Complaints Limited  
PO Box 5967  
WELLINGTON 6140

Telephone: 0800 347 257  
Email: [complaints@fscl.org.nz](mailto:complaints@fscl.org.nz)

The Scheme will not charge a fee to any complainant to investigate or resolve a complaint.

## 9. Where you can find more information

Further information on the Scheme such as the trust deed for the Scheme, the SIPO, fund updates and other material information, is available on the offer register and scheme register at [www.companiesoffice.govt.nz/disclose](http://www.companiesoffice.govt.nz/disclose) by searching 'Kōura KiwiSaver Scheme'.

A copy of information on the offer register or scheme register is available on request to the Registrar of Financial Service Providers.

Information regarding your investment will be available at the investor portal which is available at [www.kourawealth.co.nz](http://www.kourawealth.co.nz).

This information is available free of charge.

## 10. How to apply

You can sign up on the Kōura website [www.kourawealth.co.nz](http://www.kourawealth.co.nz). We will make it easy for you.



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[www.kourawealth.co.nz](http://www.kourawealth.co.nz)