

Fisher Funds TWO KiwiSaver Scheme

Product Disclosure Statement

Issued by Fisher Funds Management Limited
6 November 2023

This is a replacement Product Disclosure Statement (PDS) which replaces the PDS dated 30 June 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 companiesoffice.govt.nz/disclose. Fisher Funds Management 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?

The Fisher Funds TWO KiwiSaver Scheme (Fisher Funds TWO KiwiSaver¹) is a managed investment scheme. Your money will be pooled with other investors' money and invested in various investments. Fisher Funds Management Limited ('Fisher Funds', 'we' or 'us') will invest your money and charge you a fee for its services. The returns you receive are dependent on the investment decisions of Fisher Funds 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?

Fisher Funds TWO KiwiSaver gives you a choice of funds to invest in. These investment options are summarised below. More information about the investment target and strategy for each investment option is provided in Section 3.

| Fund name | Fund description and investment objective | Risk indicator | Estimated annual fund charges (% of net asset value) |
|--------------------------|--|--|--|
| Preservation Fund | Aims to provide stable returns and reduce the potential of capital loss over the short to medium term by investing in New Zealand cash and New Zealand short term fixed interest assets. | <p>Lower risk Higher risk</p> <p style="text-align: center;">▼</p> <p style="text-align: center;">1 2 3 4 5 6 7</p> <p style="text-align: center;">▲</p> <p>Potentially lower returns Potentially higher returns</p> | 0.61% |
| Conservative Fund | Aims to provide stable returns over the long term by investing mainly in income assets with a modest allocation to growth assets. | <p>Lower risk Higher risk</p> <p style="text-align: center;">1 2 3 4 5 6 7</p> <p style="text-align: center;">▼</p> <p style="text-align: center;">▲</p> <p>Potentially lower returns Potentially higher returns</p> | 0.89% |
| Balanced Fund | Aims to provide a balance between stability of returns and growing your investment over the long term by investing in a mix of income and growth assets. | <p>Lower risk Higher risk</p> <p style="text-align: center;">1 2 3 4 5 6 7</p> <p style="text-align: center;">▼</p> <p style="text-align: center;">▲</p> <p>Potentially lower returns Potentially higher returns</p> | 0.94% |
| Growth Fund | Aims to grow your investment over the long term by investing mainly in growth assets. | <p>Lower risk Higher risk</p> <p style="text-align: center;">1 2 3 4 5 6 7</p> <p style="text-align: center;">▼</p> <p style="text-align: center;">▲</p> <p>Potentially lower returns Potentially higher returns</p> | 1.04% |
| Equity Fund | Focuses on growth of your investment over the long term by investing in New Zealand and international shares. | <p>Lower risk Higher risk</p> <p style="text-align: center;">1 2 3 4 5 6 7</p> <p style="text-align: center;">▼</p> <p style="text-align: center;">▲</p> <p>Potentially lower returns Potentially higher returns</p> | 1.14% |

1. The term 'Fisher Funds TWO KiwiSaver' is an abbreviation for 'the Fisher Funds TWO KiwiSaver Scheme' and readers should view those terms interchangeably.

GlidePath

Fisher Funds offers clients the GlidePath service which automatically invests your savings in a mix of funds according to your age. GlidePath makes adjustments to your investments every year for you, starting when you turn 28, so

you can get on with living your life. You have freedom to opt in to, or out of, GlidePath at any time. Below is an example of how your savings would be invested at a range of ages if you take up GlidePath.

| Age | How your savings are invested | Risk indicator | Estimated annual fund charges (% of net asset value) |
|-----|---|---|---|
| 25 | 100% Equity Fund | <p>Lower risk Higher risk</p> <p>1 2 3 4 5 6 7</p> <p>Potentially lower returns Potentially higher returns</p> | 1.14% |
| 40 | 32% Equity Fund 68% Growth Fund | <p>Lower risk Higher risk</p> <p>1 2 3 4 5 6 7</p> <p>Potentially lower returns Potentially higher returns</p> | 1.07% |
| 55 | 11% Growth Fund 89% Balanced Fund | <p>Lower risk Higher risk</p> <p>1 2 3 4 5 6 7</p> <p>Potentially lower returns Potentially higher returns</p> | 0.95% |
| 65 | 17% Balanced Fund 83% Conservative Fund | <p>Lower risk Higher risk</p> <p>1 2 3 4 5 6 7</p> <p>Potentially lower returns Potentially higher returns</p> | 0.90% |
| 75 | 92% Conservative Fund 8% Preservation Fund | <p>Lower risk Higher risk</p> <p>1 2 3 4 5 6 7</p> <p>Potentially lower returns Potentially higher returns</p> | 0.87% |

There's no extra charge for GlidePath. The annual fund charges for the relevant fund(s) apply.

See Section 4 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 financial advice or work out your risk profile at ipq.fisherfunds.co.nz/ftwo.

Who manages Fisher Funds TWO KiwiSaver?

Fisher Funds Management Limited is the manager of Fisher Funds TWO KiwiSaver. See Section 7 for more information about us.

How can you get your money out?

KiwiSaver is a long term investment, designed to help you save for your retirement. It's not a savings account, where you earn interest and can access your money when you like. In most cases, while you can watch it grow and change how it's invested, you can't withdraw until you reach the age of 65.

In some cases, like if you buy your first home, suffer a serious illness or significant financial hardship, die, or permanently emigrate to somewhere other than Australia, you may be able to cash in some or all of your investment early. See Section 2 for more information.

How will your investment be taxed?

Fisher Funds TWO KiwiSaver 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 15 for more information.

Where can you find more key information?

Fisher Funds is required to publish quarterly updates for each investment option. The updates show the returns, and the total fees actually charged to investors, during the previous year. The latest fund updates are available at ff2kiwisaver.co.nz/resources. The manager will also give you copies of those documents on request.

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2. How does this investment work?

Fisher Funds TWO KiwiSaver is a long term investment plan aimed at helping you save for your retirement.

What are the benefits?

Joining KiwiSaver and making regular contributions is a smart choice because:

- **It's easy.** Your employer will automatically take contributions from your pay on your behalf if you're working. If you're self-employed, or not working, you can set up a direct debit, so your savings will happen regularly. You also know exactly what's happening with your nest egg with instant online access to your investment information.
- **Bonus savings.** Your regular contributions aren't the only additions to your savings. The Government also contributes up to \$521 per year, and if you're working and contributing from your salary, your employer will contribute at least 3% of your salary or wage*.
- We offer our Fisher Funds TWO KiwiSaver clients a **choice** of funds to invest in, and we have a team of KiwiSaver experts ready and waiting to help you make the best decisions; matching your saving goals to your needs.
- **No fuss.** We make investing even easier with GlidePath, our automatic investment service which adjusts how your savings are invested depending on your age (our set and forget option).
- **Flexibility.** KiwiSaver can help you to save for your first home and offers great Government bonuses if you qualify.

* As long as you are over 18 and not entitled to make a retirement withdrawal.

How does it work?

When you join, you become a member of Fisher Funds TWO KiwiSaver. Money you invest is used to buy units in the fund or funds that you are invested in.

- Each unit you buy will have a price calculated each business day based on the value of the fund's assets at the time.
- Changes in the value of the fund's assets (up or down) are reflected in the unit price.

Fisher Funds TWO KiwiSaver is a trust governed by a Governing Document between Fisher Funds and Trustees Executors Limited ('the Supervisor').

Your investments are held by a custodian appointed by the Supervisor, who is independent from Fisher Funds.

Each fund is accounted for separately so assets in one fund can't be used to meet the liabilities of another.

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

Responsible investment

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 PDS. You can obtain an explanation of the extent to which responsible investment is taken into account in those policies and procedures at ff2kiwisaver.co.nz/responsible-investing.

Joining the scheme

It's easy to join Fisher Funds TWO KiwiSaver. If you're new to KiwiSaver it's open to most people if you're:

- living or normally living in New Zealand; and
- a New Zealand citizen (or are entitled to live in New Zealand indefinitely).

You can also apply to join if you transfer from another KiwiSaver scheme.

We look forward to welcoming you. You can join online at applications.fisherfunds.co.nz/fftwo or fill in the application form at the back of this document.

If you have been enrolled in Fisher Funds TWO KiwiSaver because it is your employer's preferred KiwiSaver scheme you'll be invested in the Balanced Fund, however at any time you can choose your own investment option. You have the choice to opt out of KiwiSaver between 14 and 55 days after you started your new employment.

Making investments

Regular contributions to your investment will help you reach your financial goals. With KiwiSaver you may also get extra help with your retirement savings. Both the Government and your employer can contribute to your investment. Below we explain the three ways to build your Fisher Funds TWO KiwiSaver nest egg.

1. You contribute

If you're a salary or wage earner

- You'll need to make regular contributions from your pay.
- The minimum amount is 3% of your before tax salary or wages, however you can choose 4%, 6%, 8% or 10%.
- You're in control, so at any time you can change your contribution rate to one of the rates above, or after a year take a savings suspension, where you stop making contributions for a period of up to 12 months (you can apply for another savings suspension when your current one ends).
- Your employer will automatically deduct your contributions and send them to us via Inland Revenue.

If you're self-employed or not employed

- You can set up regular payments via direct debit which can be any amount you wish.

All investors can make voluntary lump sum or regular payments into their Fisher Funds TWO KiwiSaver account.

2. Your employer contributes

A great benefit of being a KiwiSaver member is that, if you're contributing, your employer is also required to make regular contributions to your KiwiSaver. They'll contribute a minimum of 3% of your before tax salary or wages (or more – check these details with your employer) if,

- you are between the ages of 18 and 65²; and
- you're not on a savings suspension and are contributing.

Your employer deducts Employer Superannuation Contribution Tax from their contributions before they are applied to your KiwiSaver account.

3. The Government contributes

You may also receive a Government contribution of up to \$521.43 a year (50 cents for every \$1 you contribute up to a maximum of \$1,042.86) as long as you;

- are between the ages of 18 and 65²; and
- mainly live in New Zealand.

Withdrawing your investments

KiwiSaver is a long term investment plan, designed to help you invest for the lifestyle you'd like to enjoy in the future. In most cases you can't withdraw until you've reached the age of 65. In some cases, like when buying your first home, you may be able to cash in some or all, of your investment early. The table below explains some of the withdrawal options.

| Why you're withdrawing | What you can withdraw | | | | |
|---|-----------------------|------------------------|--------------------------|----------------------------------|---|
| | Your contributions | Employer contributions | Government contributions | Kickstart* contribution (if any) | Superannuation savings transferred from Australia |
| You've reached the age of 65 | ✓ | ✓ | ✓ | ✓ | ✓ |
| You can; <ul style="list-style-type: none"> • withdraw lump sums of \$500 or more anytime • set up regular withdrawals of \$100 or more per month • stay in the fund or choose another investment option Give us a call and we'll talk you through your alternatives | | | | | |
| Buying your first home | ✓ | ✓ | ✓ | — | — |
| You must leave a minimum balance of \$1,000 in your KiwiSaver account, and there are other conditions so check out ff2kiwisaver.co.nz or call us. | | | | | |
| Significant financial hardship | ✓ | ✓ | — | — | ✓ |
| Serious illness | ✓ | ✓ | ✓ | ✓ | ✓ |
| Life-shortening congenital condition | ✓ | ✓ | ✓ | ✓ | ✓ |
| Moving overseas | ✓ | ✓ | — | ✓ | — |
| There are some conditions, so call us to discuss them and we will send you the right application form. | | | | | |
| Moving to Australia | ✓ | ✓ | ✓ | ✓ | ✓ |
| You can only transfer your entire balance to an Australian complying scheme. | | | | | |
| Death | ✓ | ✓ | ✓ | ✓ | ✓ |
| Your balance will be paid to your estate. | | | | | |
| Retirement withdrawal of transferred Australian savings from 60 years old | — | — | — | — | ✓ |
| You will need to sign a statutory declaration that you do not intend to work again to qualify for access to your Australian savings. | | | | | |

* The kick-start payment was a \$1000 tax-free Government contribution made to all KiwiSaver members who joined before 2pm, 21 May 2015.

You can also access your investment where any Act or court order requires a withdrawal.

We may suspend or defer the timing of withdrawals (including transfers and switches) in some circumstances. Further information on suspensions and deferrals is set out in the "Other Material Information" document at ff2kiwisaver.co.nz/resources.

2. If you joined KiwiSaver (or a complying fund) before 1 July 2019, a 5 year minimum membership requirement applies if you were aged 60 or over when you joined. During the 5 year minimum membership period you are entitled to the Government contribution, and compulsory employer contributions if you are contributing from your wages or salary. Once you've reached the age of 65 you can opt out of this requirement and make a partial or full withdrawal, however if you do so you will forgo your entitlement to the Government contribution and compulsory employer contributions.

How to switch between funds

Fisher Funds TWO KiwiSaver offers you the flexibility to switch between funds, change how much you invest in each fund, or opt in to, or out of our GlidePath service at any time with no switching fees. To do this log in to our online portal or complete a switch form at ff2kiwisaver.co.nz.

Talk to one of our advisers or take our investor profile questionnaire at ipq.fisherfunds.co.nz/fftwo before you make any decisions.

3. Description of your investment options

Fisher Funds TWO KiwiSaver provides you with flexible investment options so you can choose what's right for you. One of the most important decisions you make when joining KiwiSaver is how you want to invest your savings. Many people don't know much about investment strategies and risk indicators and that's why we're here to help you.

We offer two main investment options which have been designed to make it easier for you to save for your retirement.

1 Select or build your own investment mix
Choose one of our five investment funds (detailed below and on the following pages) or a mix of them to suit your financial goals.

2 GlidePath
Choose GlidePath, our service which automatically invests your savings in a combination of funds based on your age.
GlidePath may not be suitable for you if you plan to use your KiwiSaver account for your first home purchase.

To help make the investment jargon in the following table a bit easier to understand, we've used the following terms.

Income assets — lower risk investments such as cash and fixed interest securities.

Growth assets — higher risk investments such as shares and property.

The funds can also hold derivatives (contracts that are valued based on the performance of other assets e.g. for currency hedging purposes) and alternative assets (such as investments in commodities), however there is no specific allocation to these investments.

The funds can hold assets either directly or indirectly through other funds.

Preservation Fund

Summary of investment objectives and strategy

Aims to provide stable returns and reduce the potential of capital loss over the short to medium term by investing in New Zealand cash and New Zealand short term fixed interest assets.

Who is the fund suitable for?

A short term or naturally cautious investor:

- Looking to make a withdrawal within 12 months
- Most interested in low volatility of returns over achieving potential higher returns

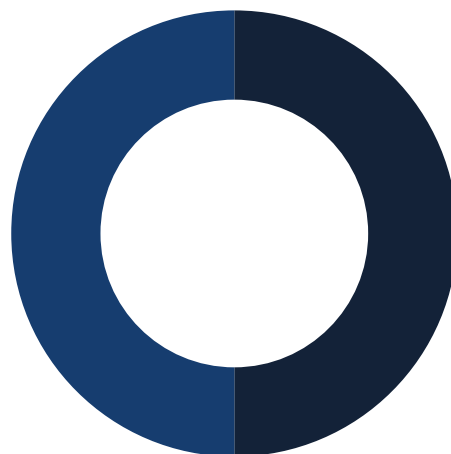
Risk indicator



Suggested minimum timeframe for this investment

There is no minimum timeframe for this fund

Target investment mix



| Income assets | Percentage |
|----------------------------|------------|
| Cash and cash equivalents | 50% |
| New Zealand fixed interest | 50% |
| 100% | |

Conservative Fund

Summary of investment objectives and strategy

Aims to provide stable returns over the long term by investing mainly in income assets with a modest allocation to growth assets.

Who is the fund suitable for?

A short term or naturally cautious investor:

- Looking to make a withdrawal in the short term
- Values lower volatility of returns over achieving potential higher returns

While this fund is designed to be conservative in nature, in times of heightened market volatility the value of your investment may go up or down.

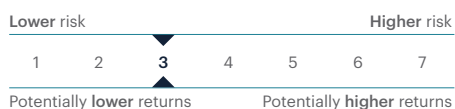
Target investment mix



| | | |
|-------------------------------|------------------------------|-------|
| Income assets 72.5% | Cash and cash equivalents | 14.5% |
| | New Zealand fixed interest | 26% |
| | International fixed interest | 32% |
| Growth assets 27.5% | Australasian equities | 5.5% |
| | International equities | 12% |
| | Unlisted property | 5% |
| | Other* | 5% |

* Other – refers to an investment in a portfolio of listed property and listed infrastructure assets.

Risk indicator



Suggested minimum timeframe for this investment

Three years

Balanced Fund

Summary of investment objectives and strategy

Aims to provide a balance between stability of returns and growing your investment over the long term by investing in a mix of income and growth assets

Who is the fund suitable for?

A medium to long term investor:

- Wants a balance between volatility of returns and achieving potential higher returns

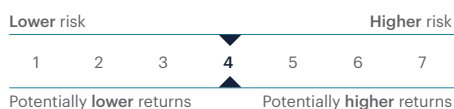
Target investment mix



| | | |
|-----------------------------|------------------------------|-----|
| Income assets 40% | Cash and cash equivalents | 3% |
| | New Zealand fixed interest | 17% |
| | International fixed interest | 20% |
| Growth assets 60% | Australasian equities | 14% |
| | International equities | 34% |
| | Unlisted property | 6% |
| | Other* | 6% |

* Other – refers to an investment in a portfolio of listed property and listed infrastructure assets.

Risk indicator



Suggested minimum timeframe for this investment

Five years

Growth Fund

Summary of investment objectives and strategy

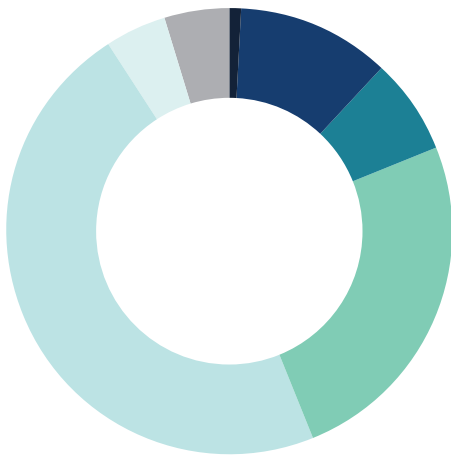
Aims to grow your investment over the long term by investing mainly in growth assets.

Who is the fund suitable for?

A long term investor:

- Can tolerate volatility of returns in the expectation of potential higher returns
- Has time on their side

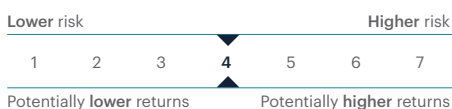
Target investment mix



| | | |
|-----------------------------|------------------------------|------|
| Income assets 19% | Cash and cash equivalents | 1% |
| | New Zealand fixed interest | 11% |
| | International fixed interest | 7% |
| Growth assets 81% | Australasian equities | 25% |
| | International equities | 47% |
| | Unlisted property | 4.5% |
| | Other* | 4.5% |

* Other – refers to an investment in a portfolio of listed property and listed infrastructure assets.

Risk indicator



Suggested minimum timeframe for this investment

Seven years

Equity Fund

Summary of investment objectives and strategy

Focuses on growth of your investment over the long term by investing in New Zealand and international shares.

Who is the fund suitable for?

A long term investor:

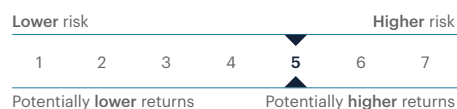
- Can tolerate significant volatility of returns in the expectation of potential higher returns
- Has time on their side

Target investment mix



| | | |
|------------------------------|------------------------|-----|
| Growth assets 100% | Australasian equities | 40% |
| | International equities | 60% |

Risk indicator



Suggested minimum timeframe for this investment

Ten years

GlidePath

GlidePath takes the hassle out of investing. With GlidePath your savings are automatically invested in a mix of funds that change based on your age. It's designed to reduce your investment risk as you get older. You can join GlidePath anytime and we will automatically adjust your investment mix every year from age 28 to deliver a smoother investing

journey over the long term. GlidePath really suits investors who want less fuss and are comfortable with their investment in funds changing over time based on their age.

Further information on GlidePath is set out in the "Other Material Information" document at ff2kiwisaver.co.nz/resources.

GlidePath – the following 5 ages have been selected to demonstrate how your investment mix will change over time:

GlidePath, age 25

How your savings are invested

100% Equity Fund

Target investment mix



| Growth assets | |
|---|-----|
| ■ Australasian equities | 40% |
| ■ International equities | 60% |
| 100% | |

Risk indicator

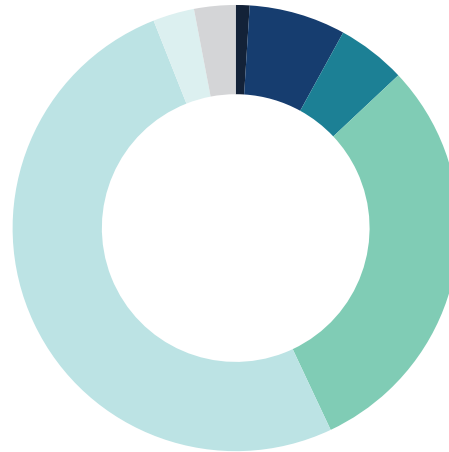


GlidePath, age 40

How your savings are invested

32% Equity Fund
68% Growth Fund

Target investment mix



| Income assets | |
|---|-----|
| ■ Cash and cash equivalents | 1% |
| ■ New Zealand fixed interest | 7% |
| ■ International fixed interest | 5% |
| 13% | |
| Growth assets | |
| ■ Australasian equities | 30% |
| ■ International equities | 51% |
| ■ Unlisted property | 3% |
| ■ Other* | 3% |
| 87% | |

* Other – refers to an investment in a portfolio of listed property and listed infrastructure assets.

Risk indicator

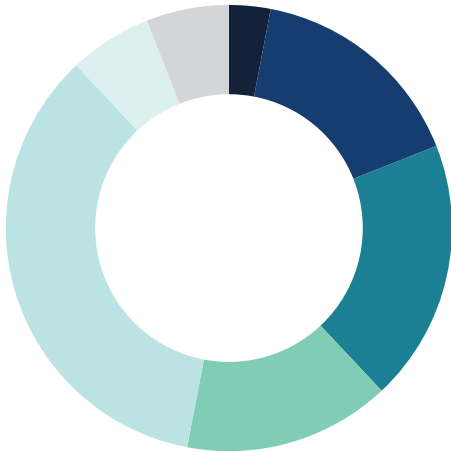


GlidePath, age 55

How your savings are invested

11% Growth Fund
89% Balanced Fund

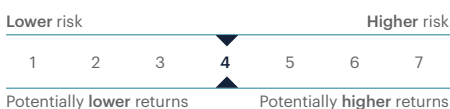
Target investment mix



| | | |
|-----------------------------|------------------------------|-----|
| Income assets 38% | Cash and cash equivalents | 3% |
| | New Zealand fixed interest | 16% |
| | International fixed interest | 19% |
| Growth assets 62% | Australasian equities | 15% |
| | International equities | 35% |
| | Unlisted property | 6% |
| | Other* | 6% |

* Other – refers to an investment in a portfolio of listed property and listed infrastructure assets.

Risk indicator



GlidePath, age 65

How your savings are invested

17% Balanced Fund
83% Conservative Fund

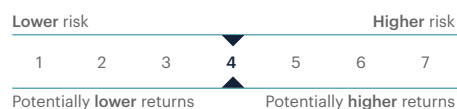
Target investment mix



| | | |
|-----------------------------|------------------------------|-----|
| Income assets 67% | Cash and cash equivalents | 13% |
| | New Zealand fixed interest | 24% |
| | International fixed interest | 30% |
| Growth assets 33% | Australasian equities | 7% |
| | International equities | 16% |
| | Unlisted property | 5% |
| | Other* | 5% |

* Other – refers to an investment in a portfolio of listed property and listed infrastructure assets.

Risk indicator



GlidePath, age 75

How your savings are invested

92% Conservative Fund
8% Preservation Fund

Target investment mix



| | | |
|-----------------------------|------------------------------|-----|
| Income assets 74% | Cash and cash equivalents | 17% |
| | New Zealand fixed interest | 28% |
| | International fixed interest | 29% |
| Growth assets 26% | Australasian equities | 5% |
| | International equities | 11% |
| | Unlisted property | 5% |
| | Other* | 5% |

* Other – refers to an investment in a portfolio of listed property and listed infrastructure assets.

Risk indicator



The aim and investment strategy for each fund can be found in the Fisher Funds TWO KiwiSaver Statement of Investment Policy and Objectives (SIPO). We regularly review and update the SIPO (in consultation with the Supervisor). When changes are made we will communicate these to you in our annual report.

Our current SIPO for Fisher Funds TWO KiwiSaver is always available at companiesoffice.govt.nz/disclose or at ff2kiwisaver.co.nz.

Further information about the assets in the funds can be found in the fund updates at ff2kiwisaver.co.nz/resources.

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.

Risk indicator



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 take our investor profile questionnaire at ipq.fisherfunds.co.nz/fftwo.

Note that even the lowest category does not mean a risk-free investment.

This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the returns data for the five years 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 of the funds.

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:

- **Investment returns risk** — different types of investments have different risks and perform differently at different times. For example, the return on growth assets tends to go up and down more than the returns from income assets. This means short term fluctuations in the value of a fund are common, especially for funds that invest mostly in growth assets like shares.
- **Market risk** — investment market performance can be affected by economic conditions such as investor opinion, inflation, employment rates and interest rates (including negative interest rates). Political events, and environmental and technological issues also impact investment market performance.
- **Currency risk** — investments in foreign assets are bought and sold with foreign currency, and the funds may hold foreign currencies directly. 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 foreign currency.
- **Investment manager risk** — how we choose to allocate each fund's investments will affect that fund's returns. In particular, our investment style may result in our returns differing from any market index and from competing investments.
- **Credit risk** — the issuer of a security, an institution that we deposit funds with, or a third party that provides a guarantee for either may not honour their obligations, fail to complete transactions, or may become insolvent. If this occurs you may not receive the full amount of your investment in that fund.
- **Counterparty risk** — a party to an investment contract may not honour their obligations, or fail to complete a transaction, or may become insolvent. If this occurs in any of the investment contracts held by a fund, you may not receive the full amount of your investment in that fund.
- **Interest rate risk** — fixed interest investments may become more or less valuable depending on 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 funds that invest mostly in income assets like cash and fixed interest.
- **Liquidity risk** — low liquidity can 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.

Further information on risks and the steps we take to reduce their impact on the funds' investments are set out in the "Other Material Information" document on companiesoffice.govt.nz/disclose.

5. What are the fees?

You will be charged fees for investing in Fisher Funds TWO KiwiSaver. Fees are deducted from your investment and will reduce your returns. If Fisher Funds invests 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** (for example, fees charged for investing or withdrawing from a fund or for other specific actions you take). Fisher Funds does not currently charge any one-off fees.

The table below details all Fisher Funds TWO KiwiSaver fees. The annual fund charges are based on the fees and expenses from the 31 March 2023 audited financial statements. They are a reasonable estimate of the annual fund charges that are likely to be charged in the future.

| Investment option | Management fees | Costs and expenses | Total estimated annual fund charges (% of net asset value) |
|--------------------------------|-----------------|--------------------|--|
| Preservation Fund | 0.48% | 0.13% | 0.61% |
| Conservative Fund | 0.81% | 0.08% | 0.89% |
| Balanced Fund | 0.86% | 0.08% | 0.94% |
| Growth Fund | 0.97% | 0.07% | 1.04% |
| Equity Fund | 1.06% | 0.08% | 1.14% |
| GlidePath, age 25 ³ | 1.06% | 0.08% | 1.14% |
| GlidePath, age 40 ³ | 1.00% | 0.07% | 1.07% |
| GlidePath, age 55 ³ | 0.87% | 0.08% | 0.95% |
| GlidePath, age 65 ³ | 0.82% | 0.08% | 0.90% |
| GlidePath, age 75 ³ | 0.78% | 0.09% | 0.87% |

Description of the above fees

Annual fund charges are made up of:

- The **management fee** charged by Fisher Funds for providing investment management services to the funds.
- **Costs and expenses** incurred by the funds for services such as accounting, custody, unit pricing, and audit, and include the Supervisor's fees.

The annual fund charges are paid from the funds, or the underlying funds they may invest in.

Individual action fees

There are no contribution, establishment, termination, or withdrawal fees charged. You may be charged a fee by your financial adviser.

Buy/sell spreads

Although under normal trading and market conditions we do not apply buy and sell spreads, we may choose to do so. You can find out if any buy or sell spreads have been applied at fisherfunds.co.nz/spread-pricing. Further information is set out in the "Other Material Information" document at ff2kiwisaver.co.nz/resources.

Example of how fees apply to an investor

Jen invests \$10,000 in the Balanced Fund. The starting value of her investment is \$10,000. She is charged management and administration fees, which work out to about \$94 (0.94% of \$10,000). These fees might be more or less if her account balance has increased or decreased over the year.

Estimated total fees for the first year

| | |
|--------------|------|
| Fund charges | \$94 |
|--------------|------|

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 Balanced 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

Our fees may change or new fees may be added — we'll let you know beforehand if they do. If we do make any changes, we'll make sure they are within the rules for Fisher Funds TWO KiwiSaver and notify those changes to the Supervisor.

Fisher Funds 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 ff2kiwisaver.co.nz.

3. The GlidePath options shown above are a representation of the GlidePath life cycle. There is no extra charge for GlidePath. The annual fund charges for the underlying fund(s) apply.

6. What taxes will you pay?

Fisher Funds TWO KiwiSaver 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 page 24.

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 Fisher Funds your PIR when you invest or if your PIR changes. If you do not tell Fisher Funds, 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 by Inland Revenue.

Give us a call, or check out ff2kiwisaver.co.nz/questions/tax-and-fees for more information on KiwiSaver tax.

7. Who is involved?

About Fisher Funds

Fisher Funds is the manager of Fisher Funds TWO KiwiSaver. We're one of New Zealand's largest specialist investment managers with over 500,000 Kiwis invested across KiwiSaver and managed funds. Majority New Zealand owned and operating for over 25 years, we're on a journey to help Kiwis realise their ambitions through our Smart Active Investment Management approach to investing and award-winning client service. Our aim is to make investing accessible and enjoyable for our clients.

You can get in touch with us or talk to one of our KiwiSaver experts at:

0508 347 437
enquiries@fisherfunds.co.nz
ff2kiwisaver.co.nz
Private Bag 93502, Takapuna, Auckland 0740

You can locate us at:

Level 1, Crown Centre, 67-73 Hurstmere Road,
Takapuna, Auckland 0622

Who else is involved?

| Entity | Name | Role |
|------------------------|----------------------------------|---|
| Supervisor | Trustees Executors Limited | They're independent and oversee how we're managing Fisher Funds TWO KiwiSaver |
| Custodian | Trustees Executors Limited | They hold the assets on your behalf, separate from Fisher Funds |
| Administration manager | Trustees Executors Limited | They keep a record of your investment units and process any applications or withdrawals |

8. How to complain

If you're unhappy we'd like the opportunity to put it right. Our clients are important to us so if you have any concerns or complaints we'd like to hear from you.

0508 347 437
complaints@fisherfunds.co.nz

Fisher Funds
Private Bag 93502, Takapuna, Auckland 0740

You can also contact the Supervisor at:

0800 878 783

Trustees Executors Limited
PO Box 4197, Shortland Street, Auckland 1140
Level 11, 51 Shortland Street, Auckland 1010

Need more help?

Fisher Funds and Trustees Executors Limited are both members of an independent approved dispute resolution scheme run by Financial Services Complaints Limited (FSCL) – A Financial Ombudsman Service. If we haven't been able to come to a suitable resolution with you, you can talk to FSCL who will assist you.

You can contact FSCL at:

0800 347 257
info@fscl.org.nz
fscl.org.nz
PO Box 5967, Wellington 6140
Level 4, 101 Lambton Quay, Wellington 6011

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

9. Where you can find more information

Further information on Fisher Funds TWO KiwiSaver, like financial statements, the Governing Document, the SIPO, fund updates and information related to fund performance and assets, and Other Material Information, is available on:

- Our website ff2kiwisaver.co.nz
- The offer register and the scheme register at companiesoffice.govt.nz/disclose

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

We'll also send you annual tax and transaction statements. Copies of these and any of the information available on the offer register and scheme register are also available to you on request. This information is available free of charge.

10. How to apply

Joining is easy. Get your savings started:

- Online at applications.fisherfunds.co.nz/fftwo; or
- By filling in the application form included with this document

Talk to us today about saving for your first home or for your retirement with Fisher Funds TWO KiwiSaver.

Fisher Funds TWO KiwiSaver Scheme Application Form



Once you have completed this form:

- You can email your completed application to enquiries@fisherfunds.co.nz.
- If you prefer, you can post your application and supporting documents to **Fisher Funds Management Limited, Private Bag 93502, Takapuna, Auckland 0740** or send by courier to **Fisher Funds Management Limited, Crown Centre, 67-73 Hurstmere Road, Takapuna, Auckland 0622**.

If you received advice before completing this application and would like further information, please talk to your adviser.

Section 1 – Personal details

(If enrolling a minor, please enter their details here)

Please note that your application cannot be processed if the names below do not match the identity documents provided.

| | | |
|----------------------|----------------------|----------------------|
| Title | First name | Middle name(s) |
| <input type="text"/> | <input type="text"/> | <input type="text"/> |

| | |
|----------------------|--------------------------------------|
| Surname | Previously known as e.g. maiden name |
| <input type="text"/> | <input type="text"/> |

| | |
|----------------------|----------------------|
| Date of birth | Occupation |
| <input type="text"/> | <input type="text"/> |

IRD number (please note, we will not be able to open your account without your IRD number)

Prescribed Investor Rate (PIR) — please tick one — see page 24 to determine your rate. If a PIR is not selected, 28% will apply.

 10.5% 17.5% 28%

Physical address (not a PO Box number)

| | | |
|----------------------|----------------------|----------------------|
| City | Country | Postcode |
| <input type="text"/> | <input type="text"/> | <input type="text"/> |

Postal address (if different from above)

| | | |
|----------------------|----------------------|----------------------|
| City | Country | Postcode |
| <input type="text"/> | <input type="text"/> | <input type="text"/> |

| | | |
|----------------------|----------------------|----------------------|
| Home phone | Business phone | Mobile |
| <input type="text"/> | <input type="text"/> | <input type="text"/> |

Email address

Receiving information about your investment

By signing this application form you agree to receive all forms of communication from us by email or through online access. This will include where possible, newsletters, annual personalised statements, annual PIE tax statements, the Scheme's annual report and news of investor events. Please contact us if you would prefer to receive communications by post.

Transfer from another KiwiSaver scheme

Are you transferring from another KiwiSaver scheme?

 Yes No

Section 2 – Identification options

Fisher Funds is required to verify the identity of new clients and associated parties under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 ('AML/CFT Act'). We offer clients two ways to confirm their identity.

Option 1

Electronic identity verification (not available for minors)

Fisher Funds has the ability to electronically verify your identity and address. Once we have received your application we will send you an SMS via our third party partner to biometrically verify your identity. To complete this method of verification you must have: a smartphone (with a front camera that is capable of taking a photo/video) and a current (not expired) version of one of the following:

- New Zealand Passport
- New Zealand Drivers Licence
- Australian Passport
- Australian Drivers Licence

If this method of identification is unsuccessful you will be required to provide certified ID and proof of address.

Option 2

Certified copies of identity documents and proof of residential address

Please provide a certified copy of your identity documents and proof of your residential address. Refer to sections 3 and 4 for information on acceptable identity documents and who can certify them.

Preferred identification method

— please select one of the following options:

- Option 1** – I would like Fisher Funds to electronically verify my identity (if selected go to Section 6)
- Option 2** - I would like to provide Fisher Funds with certified copies of my identity documents (if selected go to Section 3)

Section 3 – Certified identity documents (18 and over)

If you selected Option 2 as your preferred way for us to verify your identity please select **one** of the certified identification options below. If you have selected Option 1 you do not need to provide certified ID now.

If you are an existing Fisher Funds client we may have your identification documents on file, please contact us to confirm this. We may request new identification documents from you.

Option A: (preferred)

- Passport**
(containing name, date of birth, photograph and signature)
OR
- New Zealand Firearms Licence**
OR
- New Zealand Driver Licence**
(front and back)

Option B:

- Full Birth Certificate**
AND one of the following
- 18+ Card/Kiwi Access Card**
OR
- Overseas Driver Licence**

* If you are supplying foreign identity documents you must also supply proof of New Zealand residency to enable us to confirm your eligibility to join / have joined KiwiSaver.

** If your previous provider has an open account under a different name you must supply proof of name change.

Your photo identification must be current (not expired). If you're unable to provide the above documentation please contact us to discuss other options.

A Fisher Funds representative can verify your identity documents if you visit our office.

Section 5 – Identity documents if you are under 18

(If you are 18 or over, go to Section 6)

Identification is required for the account holder (the minor) as well as the parents/guardians/Oranga Tamariki guardian of the minor.

Step 1 – Identification for parents/guardians

Children under 16

- Full birth certificate*
- Both parents'/guardians' identification and proof of address

Children aged 16, 17 (or under 18 transferring in from another KiwiSaver scheme)

- Full birth certificate*
- One parent/guardian's identification and proof of address

* Birth certificates for minors are not required to be certified.

Step 2 – Proof of relationship

One of the following:

- Full birth certificate* (if not already provided)
- Adoption papers
- Guardianship forms
- Court order

* Birth certificates for minors are not required to be certified.

Legal guardian of a minor

(required if the applicant is aged under 18)

What is your relationship to the minor i.e. father/mother/legal guardian/Oranga Tamariki guardian

Title

First name

Middle name(s)

Surname

Date of birth

Address (if different from that of minor)

City

Country

Postcode

Contact phone

Email address

Preferred identification method

– please select one of the following options (refer to Section 2 for more information):

- Option 1** – I would like Fisher Funds to electronically verify my identity
- Option 2** – I would like to provide Fisher Funds with certified copies of my identity documents

Section 5 – Identity documents if you are under 18 (continued)

Second legal guardian of a minor

(required if the applicant is aged under 16 and has more than one legal guardian)

What is your relationship to the minor i.e. father/mother/legal guardian

Title

First name

Middle name(s)

Surname

Date of birth

Address (if different from that of minor)

City

Country

Postcode

Contact phone

Email address

Preferred identification method

– please select one of the following options (refer to Section 2 for more information):

- Option 1** – I would like Fisher Funds to electronically verify my identity
- Option 2** - I would like to provide Fisher Funds with certified copies of my identity documents

Section 6 – Contributions

If you are employed

If you are employed your regular contributions will be made by your employer.

- You must let your employer know the contribution rate you have elected (as a percentage of gross salary or wages).
- If you are joining KiwiSaver for the first time please let your employer know.

If you are transferring

If you are transferring from another KiwiSaver provider and are contributing via your employer, your contributions will be automatically redirected to Fisher Funds.

If you are not employed or self-employed

If you are not employed (unemployed, under 18 and not working, retired, etc) or self-employed you will invest directly with Fisher Funds.

To set up a one off or regular direct debit, please complete the Direct Debit Form on page 25 of the product disclosure statement.

Section 7 – Investment options

You can select our GlidePath service, choose from three investment strategies (an investment mix designed to suit a specific investor profile) or you can create your own investment strategy by choosing either a specific fund or a mix of our individual funds in the proportions you wish. For help with choosing an investment strategy, take our investor profile questionnaire at ipq.fisherfunds.co.nz/fftwo. You can change your investment strategy at any time.

To select GlidePath tick the box below:

GlidePath

OR

To select an investment strategy please tick the relevant box below:

- Conservative strategy
(100% Conservative Fund)
- Balanced strategy
(100% Balanced Fund)
- Growth strategy
(100% Growth Fund)

OR

To build your own investment strategy simply complete the table below:

| Funds | % Contributions |
|---------------------------|-----------------|
| Preservation Fund | % |
| Conservative Fund | % |
| Balanced Fund | % |
| Growth Fund | % |
| Equity Fund | % |
| The total must equal 100% | 100% |

If you do not make any choice, your contributions will be invested in the Balanced Fund.

By signing this Application Form you acknowledge that:

1. choosing an investment strategy is solely your responsibility and neither Fisher Funds nor the Supervisor of the Fisher Funds TWO KiwiSaver Scheme ('the Scheme') is to be regarded as representing or implying that any particular investment strategy is appropriate for your personal circumstances;
2. the product disclosure statement does not give financial advice and if you are unsure about choosing an investment strategy you can seek advice from a financial adviser;
3. you can change your investment strategy at any time.

Section 8 – Account holders 65 and over

(If you are under 65, go to Section 9)

Primary purpose for the investment*

Please tell us the reason you are investing with Fisher Funds

- Retirement Income Investing
- Other (please specify)

What are your goals/plans for this investment?

How do you intend to transact on this account?*

Deposits
(please select at least one)

Withdrawals
(please select at least one)

- Regular Regular
- Now and then Now and then
- Lump sum (one-off) Lump sum (one-off)
- Other (please specify) Other (please specify)

* Please note, this information is requested solely in relation to the AML/CFT Act and is not used to assess the suitability of your product selection or to provide financial advice.

Section 8 — Account holders 65 and over (continued)

Nominated bank account

Please provide a nominated bank account in your name. When you make a withdrawal we will pay the funds to this bank account. If you do not provide your bank account this may delay your application. We will only make payments in NZ dollars to a NZ domiciled bank account.

Name of account

Account details

Bank

Branch

Account number

Suffix

Bank/Branch

Please provide proof of your bank account

One of the following:

- Bank statement
- Internet banking screenshot
- Over the counter receipt with a teller's stamp

The proof of bank account must contain the account name, number and the logo of your bank.

Section 9 — Adviser details

(Required only if you talked to a financial adviser about this application)

This section is to be completed by your financial adviser.

Name of adviser

Company (if applicable)

If you are verifying your client's identification documents please complete the following declaration. Please ensure that you use the following wording when verifying your client's identification documentation:

"I verify this to be a true copy of the original document and confirm that it represents the identity of <client's full name>."

Adviser declaration:

- I confirm that I am a "reporting entity" under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (AML/CFT Act).

- I confirm that I have a "business relationship" (as defined in the AML/CFT Act) with the investor named in this Application Form.
- I confirm that I have conducted the relevant client due diligence procedures to the standard required by the AML/CFT Act and regulations, I have sighted the original of each document verifying the identity and address of the investor(s), and I have attached to this form the relevant identity and verification information required under the AML/CFT Act.

Adviser signature

Fisher Funds Adviser Code

Date

Section 10 — Privacy statement

Your personal information may be used by Fisher Funds and the Supervisor (and any of their respective related entities), and by service providers to Fisher Funds and the Supervisor (and their respective related entities) to provide services in relation to your investment and to promote to you other products and services. Such information, including your account information, may be shared with and used by your financial adviser or the distributor through which you joined the Scheme (if applicable) and by the Financial Advice Provider associated with that adviser or distributor for the purpose of providing ongoing financial advice and/or services to you. Fisher Funds may also be required to disclose your information to the Financial Markets Authority, other regulatory authorities or on receipt of a court order.

The information you provide may also be used to electronically verify your identity and address (if necessary), and may be disclosed to third parties including government agencies for this purpose.

You have the right to access the information held by Fisher Funds and you may also request that it be corrected. You can do this by contacting us at enquiries@fisherfunds.co.nz or call us on 0508 347 437. If you contact us or we contact you, we may keep a record of that contact. We may also monitor and record calls you make to us and that we make to you. If you are concerned about a possible interference with your privacy, you should contact us by writing to The Privacy Officer, Fisher Funds Management Limited, Private Bag 93502, Auckland 0740 or email privacy@fisherfunds.co.nz. If your concerns are not resolved to your satisfaction, the matter can be referred to the Privacy Commissioner on 0800 803 909 or enquiries@privacy.org.nz.

How to calculate your Prescribed Investor Rate (PIR)

In either of the last two income years was your taxable income **\$14,000 or less** and your total income (including PIE income) **\$48,000 or less?**

Yes →

Your PIR is **10.5%**

No ↓

In either of the last two income years, was your taxable income **\$48,000 or less** and your total income (including PIE income) **\$70,000 or less?**

Yes →

Your PIR is **17.5%**

No ↓

In all other cases →

Your PIR is **28%**

Section 11 — Declaration

- I have read the product disclosure statement (PDS) and agree to be bound by the terms and conditions of the PDS and Governing Document.
- I understand that the Scheme is a vehicle for long term investment and that the value of my investment is liable to fluctuations and may rise and fall from time to time.
- I understand the manner in which the fees will be deducted from my investment.
- I acknowledge that neither the Manager nor the Supervisor will be liable to me for any loss as a consequence of the investment direction given on this form or any later investment direction given in accordance with the Governing Document (and that none of the Manager, the Supervisor, the Crown or any other person guarantees the performance of the fund(s) I select). I meet the eligibility criteria for joining the Scheme as set out in Section 2 of the PDS.
- If I am transferring from another KiwiSaver scheme or registered scheme I authorise the Manager and Supervisor of the transferring scheme to provide to Fisher Funds and the Supervisor of the Scheme any of my personal information as necessary to complete the transfer of my account.
- I agree to the terms outlined above in relation to the privacy statement and the handling of my personal information.
- I understand that the financial adviser or distributor through which my investment was made (if applicable) may be remunerated by the Manager for distributing the Scheme.
- I confirm that all of the information I have given in this application is true and correct.
- I will notify Fisher Funds immediately if there is any change in any information I have given in this application.

Signature of applicant (if 16 or older)

Date

Account holders under 18

If the applicant is 16 or 17, the applicant and one legal guardian or Oranga Tamariki guardian must co-sign. If the applicant is under 16 both the legal guardians or one Oranga Tamariki guardian must sign on behalf of the applicant. Legal guardians or the Oranga Tamariki guardian must provide identification in accordance with the requirements on page 18. In signing the Declaration you confirm that you are a legal guardian or Oranga Tamariki guardian of the applicant and that you accept the Declaration on behalf of the applicant.

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intentionally blank

Contact: Private Bag 93502,
Takapuna, Auckland 0740
0508 347 437
enquiries@fisherfunds.co.nz

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