



Milford KiwiSaver Plan Product Disclosure Statement

Product Disclosure Statement

Milford Funds Limited
17 August 2016

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. Milford Funds Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial adviser to help you make this 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. Milford Funds Limited ('Milford', 'we', 'our', 'us') will invest your money and charge you a fee for its services. The returns you receive are dependent on the investment decisions of Milford and the performance of the investments. The value of those investments may go up or down. The types of investments and the fees you will be charged are described in this document.

What will your money be invested in?

The Milford KiwiSaver Plan ('Plan') offers three funds ('Funds') for you to invest in. These investment options are summarised below. More information about the investment target and strategy for each investment option is provided at Section 3 "Description of your investment option(s)".

See Section 4 of this document "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 financial advice or work out your risk profile at www.sorted.org.nz/tools/investor-kickstarter.

Who manages the Milford KiwiSaver Plan?

The manager of the Plan is Milford Funds Limited. See Section 7 'Who is involved' for more information.

How can you get your money out?

To withdraw your money from the Plan, you will need to apply for a withdrawal permitted under the KiwiSaver Act 2006.

There are a limited number of circumstances in which withdrawals can be made before reaching the age of eligibility for a retirement withdrawal (currently 65).

These are:

- 1 you suffer significant financial hardship or serious illness; or
- 2 when you are purchasing your first home; or
- 3 after you permanently emigrate from New Zealand; or
- 4 if you transfer from this scheme to another KiwiSaver scheme; or
- 5 if a court orders the release of funds from your investment; or
- 6 if you die; in which case your investment will be paid to your personal representatives; or
- 7 to meet your tax or student loan liability on any transferred foreign superannuation scheme interest

Conditions apply. Otherwise you can access your KiwiSaver balance when you reach the age of 65, and you have been in KiwiSaver for at least 5 years.

See Section 2 "How does this investment work?" for more information.

How will your investment be taxed?

The Plan 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?) for more information.

Where can you find more key information?

Milford is required to publish quarterly updates for each Fund. The updates show the returns, and the total fees actually charged to investors, during the previous year.

The latest Fund Updates are available at www.milfordasset.com/documents. The manager will also give you copies of those documents on request.

Fund	Investment Objective	Risk Indicator	Estimated Annual Fund Charges***
Milford KiwiSaver Conservative (Conservative)	<p>Objective - Moderate return** and protect capital over the minimum recommended timeframe.</p> <p>Description - Diversified fund that primarily invests in fixed interest securities, with a moderate allocation to equities.</p>	<p>Lower risk Higher risk</p> <p>Potentially lower returns Potentially higher returns</p>	0.96%
Milford KiwiSaver Balanced (Balanced)	<p>Objective - Capital growth** over the minimum recommended timeframe.</p> <p>Description - Diversified fund that primarily invests in equities, with a significant allocation to fixed interest securities.</p>	<p>Lower risk Higher risk</p> <p>Potentially lower returns Potentially higher returns</p>	1.19% ^ (includes estimated performance fee)
Milford KiwiSaver Active Growth (Active Growth)	<p>Objective - Annual returns of 10%** over the minimum recommended time frame.</p> <p>Description - Diversified fund that primarily invests in Australasian equities, with a moderate allocation to international equities and fixed interest securities.</p>	<p>Lower risk Higher risk</p> <p>Potentially lower returns Potentially higher returns</p>	1.34% ^ (includes estimated performance fee)

* We have used a mixture of market index returns and actual returns to calculate the risk indicator for Conservative as it was launched within the last 5 years. This means that the risk indicator for Conservative does not reflect the actual returns for the period specified in the table and may provide a less reliable indicator of the potential future volatility of the Fund.

^ Estimated annual fund charges include an estimate of performance-based fees. See Section 5 for more information.

The Plan also charges an administration and registry fee of \$36 per annum.

Fund	Period of market index returns used
Conservative	01/07/2011 to 31/08/2015

** After management and administration charges but before tax and before the performance fees (if applicable).

*** Annual fund charges include an estimate of applicable underlying fund charges.

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2. How does this investment work?

The Milford KiwiSaver Plan is registered under the Financial Markets Conduct Act 2013 (FMC Act) as a KiwiSaver scheme.

The Plan is a trust vehicle governed by a trust deed dated 1 August 2016.

The Supervisor of the Plan (or its appointed custodian) holds the Plan's investments. Trustees Executors Limited is the current Supervisor ('Supervisor') and supervises performance of our functions and obligations.

The purpose of the Plan is to provide retirement benefits for Members. At the date of this document, the Plan provides three Funds: Conservative, Balanced and Active Growth, and you can select a Fund or Funds into which your contributions will be placed.

The benefits payable depend on the amount of contributions made either by you alone, or by you and your employer, any additional amounts contributed either by or on behalf of you (such as the member tax credits), plus any investment returns on contributions and other money invested.

Your money is pooled with that of other Members of the relevant Fund. However, the assets of one Fund cannot be used to cover the liabilities of another Fund. The interests of Members are represented by units, which confer an equal interest in a Fund and are of equal value. The value of units in each Fund will change according to the changing value of the underlying assets in which the Fund has invested.

The Funds are actively managed portfolios that provide a broad range of investment options.

The Funds also utilise the benefits of the PIE tax regime. The Funds are managed by Milford, a wholly owned subsidiary of Milford Asset Management Limited.

There are no regular distributions from the Plan. Conditions apply to withdrawals as described in the 'Withdrawing your investments' section.

Responsible investment, including environmental, social, and governance considerations, is not taken into account in the investment policies and procedures of the scheme. More information about Milford's approach to this subject can be found at www.milfordasset.com/documents.

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

Joining the scheme

Only individuals below the New Zealand superannuation qualification age (currently 65), living or normally living in New Zealand (subject to certain exceptions) who are New Zealand citizens or entitled to be in New Zealand indefinitely are eligible to join the Plan.

You can join the Plan if you are:

- a member of another KiwiSaver scheme; or
- a non-KiwiSaver member, who is:
 - a new employee where your employer has chosen the Plan as their preferred KiwiSaver scheme; or
 - a person (whether a new employee or not) who is eligible to join.

Milford may reject any application to join the Plan. A current minimum initial lump sum investment of \$1,000 applies if you are new to KiwiSaver and are not joining as an employee.

Making investments

If you are an employee, you can choose to contribute either 3%, 4% or 8% of your gross salary or wages (as defined in the KiwiSaver Act 2006). This currently includes salary or wages plus other remuneration such as bonuses and overtime.

If you do not select a rate, your contribution rate will automatically default to 3%.

Your employer will deduct your contributions from each payment of your after-tax salary or wages and pay them to Inland Revenue. Inland Revenue will then pay the contributions (with any interest) to the Plan.

You can change your contribution rate to either 3%, 4% or 8% of your gross salary or wages at any time by notifying your employer.

If you are self-employed, not working or taking a contributions holiday, or under the age of 18, you can make contributions at any time.

You can also make additional regular or lump sum contributions.

Withdrawing your investments

You can only withdraw your investment as specified in the KiwiSaver Act 2006 or otherwise as required by law. Your interest in the Plan may not be assigned or charged or passed to any other person.

You may only withdraw your contributions in the following circumstances:

Superannuation qualification age

You can withdraw your investment:

- when you reach the New Zealand superannuation qualification age (currently 65); and
- you have been in KiwiSaver (and/or a complying superannuation fund) for at least five years.

At that time you can:

- withdraw the full amount of your investment, in which case your KiwiSaver account will be permanently closed; or
- withdraw part of your investment (conditions apply); and/or
- make regular withdrawals (conditions apply).

First home

Once you have been in KiwiSaver (and/or a complying superannuation fund) for three years, you may be eligible to withdraw your investment (leaving a minimum of \$1,000 in your account) to put towards buying your first home.

Significant financial hardship

If you are suffering significant financial hardship, as determined by the Supervisor, you may be able to withdraw some of your investment. The amount you are able to withdraw may be limited and will exclude member tax credits.

Serious illness

If you are experiencing terminal illness or permanent disability affecting your ability to work, as determined by the Supervisor, you may be able to withdraw up to the full balance of your investment.

Death

In the event of your death, Milford will pay your investment to your estate's personal representatives.

A court order

If a court orders the release of funds from your KiwiSaver account, such as in divorce proceedings, then that amount will be paid out, or transferred.

Transfer to another KiwiSaver scheme

You may transfer to another KiwiSaver scheme at any time. You may only be a member of one KiwiSaver scheme at a time.

Permanent emigration

A year after permanently emigrating from New Zealand (other than to Australia) you may apply to withdraw your full KiwiSaver balance (less any accumulated member tax credits and any Australian superannuation savings) or have it transferred to an authorised foreign superannuation scheme.

If you emigrate to Australia you can transfer the full balance of your investment to an Australian complying superannuation scheme (conditions apply).

Transferring your interest in a foreign superannuation scheme

The transfer from some foreign superannuation schemes to the Plan can create a tax liability. Funds from your account (excluding any accumulated member tax credits) may be withdrawn to pay this. A withdrawal will also be available if a student loan repayment obligation arises on transfer of your foreign superannuation interest to the Plan.

Australian sourced funds

Restrictions apply to withdrawals if you have transferred Australian superannuation savings to the Plan. Please refer to the Member Guide.

Suspending withdrawals

We may, with prior notice to the Supervisor, defer payment of a withdrawal where, due to certain circumstances arising (for example, political or market conditions), we form the opinion that it is not practicable, or would be materially prejudicial to Members, for such withdrawals to be made.





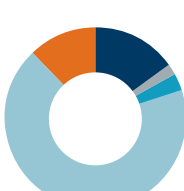

How to switch between Funds

You can switch from one Fund to one or more Funds by signing and returning a Switch Form found at www.milfordasset.com/documents.

Need more information?

More information on joining, contributions and withdrawing is included in the Member Guide found at www.milfordasset.com/documents or www.business.govt.nz/disclose.

3. Description of your investment option(s)

Fund	Investment objective and strategy	Target investment mix [^] (see note following table)	Risk Indicator	Minimum recommended investment timeframe
Conservative	<p>To provide moderate returns** and protect capital over the minimum recommended investment timeframe.</p> <p>A diversified fund that primarily invests in fixed interest securities, with a moderate allocation to equities.</p>	 <ul style="list-style-type: none"> ■ Cash and Cash Equivalents 6% ■ NZ Fixed Interest 36% ■ International Fixed Interest 41% ■ Australasian Equities 6% ■ International Equities 7% ■ Listed Property 4% ■ Unlisted Property 0% ■ Commodities 0% ■ Other* 0% <p>Income 83% Growth 17%</p>	<p>Lower risk Higher risk</p>  <p>Potentially lower returns Potentially higher returns</p>	3 years
Balanced	<p>To provide capital growth** over the minimum recommended timeframe.</p> <p>A diversified fund that primarily invests in equities, with a significant allocation to fixed interest securities.</p>	 <ul style="list-style-type: none"> ■ Cash and Cash Equivalents 9% ■ NZ Fixed Interest 11% ■ International Fixed Interest 20% ■ Australasian Equities 30% ■ International Equities 24% ■ Listed Property 6% ■ Unlisted Property 0% ■ Commodities 0% ■ Other* 0% <p>Income 40% Growth 60%</p>	<p>Lower risk Higher risk</p>  <p>Potentially lower returns Potentially higher returns</p>	5 years
Active Growth	<p>To provide annual returns of 10%** over the minimum recommended timeframe.</p> <p>A diversified fund that primarily invests in Australasian equities, with a moderate allocation to international equities and fixed interest securities.</p>	 <ul style="list-style-type: none"> ■ Cash and Cash Equivalents 15% ■ NZ Fixed Interest 2% ■ International Fixed Interest 3% ■ Australasian Equities 68% ■ International Equities 12% ■ Listed Property 0% ■ Unlisted Property 0% ■ Commodities 0% ■ Other* 0% <p>Income 20% Growth 80%</p>	<p>Lower risk Higher risk</p>  <p>Potentially lower returns Potentially higher returns</p>	5 years

[^] Note: Targets indicate what are expected to apply over the course of an economic cycle, and should be considered as general only. Milford is an active manager and may at times deploy investment strategies that differ (within the allowable minimum and maximum bounds) materially from the above targets.

* We have used a mixture of market index returns and actual returns to calculate the risk indicator for Conservative as it was launched within the last 5 years. This means that the risk indicator for Conservative does not reflect the actual returns for the period specified in the table below. Therefore this risk indicator may provide a less reliable indicator of the potential future volatility of the Fund.

Fund	Period of market returns used
Conservative	01/07/2011 to 31/08/2015

** After management and administration charges but before tax and before the performance fee (if applicable).

We regularly review our Statement of Investment Policies and Objectives (SIPO) and may amend it, in consultation with the Supervisor. We will notify you of any material changes before making them. Changes will also be communicated no later than the next quarterly Fund Update. The current SIPO can be found at www.milfordasset.com/documents or at www.business.govt.nz/disclose.

Further information about the assets in the Funds can be found in the Fund Updates at www.milfordasset.com/documents or at www.business.govt.nz/disclose.

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.



See Section 3 “Description of your investment option(s)” for the risk indicators which have been calculated for the Funds.

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

To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at www.sorted.org.nz/calculators/investment-planner.

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.

The 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 June 2016. While risk indicators are usually relatively stable, they do shift from time to time. You can see the most recent risk indicator in the latest Fund Update for the relevant Fund.

The risk indicator has been calculated on the basis of five years of historic fund returns where available, and market index returns where required. Hence, the returns data used may not represent a full investment cycle for the Fund and the risk category may be different if calculated using a longer timeframe. If the period of returns used reflected an environment of unusually low or unusually high volatility, the risk indicator may not reflect the Fund’s future volatility.

General investment risks

Some of the things that may cause the Fund’s value to move up and down, which affect the risk indicator, are: investment return risk, market risk, interest rate risk, credit risk, liquidity risk and currency risk. These risks are summarised below:

Investment return risk

Past performance is no guarantee of future performance. As Milford is an active manager, there is a risk that a Fund may underperform compared with its investment objective or with the market.

Market risk

Returns of a Fund will be affected by the performance of the investments chosen for that Fund which may in turn, be affected by the performance of the investment markets generally. This risk, related to market performance, includes demand and supply in the market and economic and regulatory conditions, including market sentiment, inflation, interest rates, employment, political events, environmental and technological issues, and consumer demands.

Interest rate risk

This refers to the risk that the market value of the investments of a Fund can change due to changes in interest rates. The market value of fixed income investments can fluctuate significantly with relatively small changes in interest rates.

Credit risk

This refers to the risk of a loss of principal or loss of financial reward stemming from a borrower's failure to repay a loan or meet a contractual obligation.

Liquidity risk

Some investments may not be easily converted into cash with little or no loss of capital and minimum delay, because of insufficient availability of buyers, suspension of trading on request from the market regulator or the entity involved, fund outflows, or disruptions in the market place. Securities of small entities in particular may, and especially in falling markets, become less liquid. Milford may hold a small number of unlisted securities that are far less liquid than listed securities.

Currency risk

Where underlying investments are invested in jurisdictions outside of New Zealand, the returns may be affected by movements between the other currencies and the New Zealand dollar.

Other specific risks

Circumstances may arise that significantly increase the risk to returns (and which are not reflected in the risk indicators). These are broader risks that you should be aware of.

Fund of funds risk

The Funds invest primarily into Milford Wholesale Funds. Balanced invests into externally managed funds. An investment of a Fund in an underlying managed fund may be affected by unexpected changes in that underlying managed fund's operations or business environment. There may also be a risk that the underlying managed fund may have its assets frozen for a period of time or that the manager of that fund suspends withdrawals. This may have an impact on your ability to withdraw, transfer to another KiwiSaver scheme or switch between Funds.

To reduce this risk Milford monitors and reviews the investment performance of its underlying fund managers.

More detail on these risks and other general risks is included in the Plan's Risks document available www.milfordasset.com/documents or www.business.govt.nz/disclose.

5. What are the fees?

You will be charged fees for investing in the Funds. Fees are deducted from your investment and will reduce your returns. If Milford 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 (currently none).

Total estimated annual fund charges, performance-based fees and other charges

Fund	Estimated annual fund charges			Other Charges	Historical average performance-based fees***
	Management and administration charges*	Performance-based fees**	Total		
Conservative	0.96%	N/A	0.96%	\$36	N/A
Balanced	1.14%	0.05%	1.19%		0.32%
Active Growth	1.09%	0.25%	1.34%		0.54%

* Annual fund charges include an estimate of applicable underlying fund charges ranging from 0.00% to 0.35%. Actual charges will depend on the performance of the underlying funds and will vary from the estimates.

** To estimate annual performance fees, we have assumed the Fund will achieve the returns of the market index over the last 10 years and assessed them against the returns of the Fund's performance benchmark over each performance review period.

*** These are based on actual performance fees for complete disclosure years since the Fund's inception.

Performance fees do not apply to Conservative.

Please refer to the Member Guide for more information on performance fees.

Actual fund charges over the past disclosure year are available in the latest Fund Updates.

Total annual fund charges are set out as a percentage of the Fund's net asset value.

Annual fund charges are made up of:

- a capped management fee
- estimated other administration and management charges
- any applicable estimated performance fees.

The capped management fee covers normal fund operating costs such as investment management, supervisor, custodial, fund accounting, audit and legal costs and is paid monthly. These fees are deducted from, and are reflected in, Fund unit prices.

The estimated other administration and management costs cover certain costs and expenses incurred where a Fund invests into external funds.

If Milford is unable to determine the external fund charges, these have been estimated from recent financial statements based on the actual costs as a percentage of the average net asset value that were charged for the fund's previous financial year. These are reflected in the prices of the external funds that are used in the calculation of the unit price of the relevant Fund.

Performance fees are deducted from, and are reflected in, the unit prices of the relevant Funds or deducted from and reflected in the unit prices of other Milford Funds the relevant Funds may invest in.

The other charges cover fees that relate to the administration of your account. They are charged by us and are paid monthly.

Fees are inclusive of GST where applicable.

We can charge other fees on an individual basis for investor specific decisions or actions, such as entry or exit fees. At the date of this document, there is no separate entry or exit fee for acquiring units or withdrawing from the Funds. However, the cost of acquiring or selling investments or the buying or selling of units may be taken into account in setting the unit price payable on application or withdrawal.

Performance fees

Conservative does not charge a performance fee.

Balanced does not directly charge a performance fee, but it invests in the following related Milford funds: The Plan's Active Growth (see below), and the Milford Unit Trust PIE Funds Trans-Tasman, Global and Dynamic (see overleaf).

As manager of Active Growth, we are entitled to be paid a performance fee from that Fund.

Active Growth performance fee

Element	Description	Application to Active Growth
Hurdle rate of return (benchmark)	The return that must be achieved before a performance fee applies (after management and administration charges but before tax and before the performance fee).	The hurdle rate of return is measured across 12 month performance payment review periods and is 10% per annum.
Fee on excess return	The amount of the return above the hurdle rate of return that is payable.	The performance fee is equal to 15% of the amount by which the performance of the Fund (after the deduction of the capped management fee but before tax and before the performance fee) exceeds the hurdle rate of return.
Performance fee cap	A cap (if any) on the amount of the performance fee.	There is no cap on the level of performance fees.
High water mark	Where the value of the Fund goes up and then down over multiple periods, this ensures that no performance fee is payable until the last applicable high water mark has been reached.	The high water mark is the Fund's previous highest ever net asset value per unit achieved on 31 March (being the performance payment review date). For a performance fee to be payable at the end of a particular 12 month period, the net asset value per unit of the Fund (before tax and before the performance fee) must exceed the high water mark. Absolute performance losses are carried forward into the next performance period.
Performance payment review date	How often the performance fee is paid.	Intended at the date of this document to be annually on 31 March. The payment will be made within 10 business days and a new performance period will start.
Performance fees are payable to Milford as Manager of the Funds.		

Note: Our performance fees are based on a hurdle rate of return. The 'hurdle rate' is the minimum return the Fund must achieve before being able to charge a performance fee. In our Fund Updates we are required to report the Fund's performance against a market index and have therefore provided a blend of market indices that represent the Fund's target asset class positions.

Active Growth is an absolute return style fund; the hurdle rate of return (which represents the Fund's aims) is the measure for the Fund's performance-based fees.

This means you may be paying a performance fee if the Fund's performance beats the hurdle rate of return but does not match or beat the performance of the blend of market indices.

Where we state 'before tax' this includes imputation credits.

Balanced - performance fees for related Milford Funds

Element	Description	Absolute Return	Relative Return	
		Global	Trans-Tasman	Dynamic
Hurdle rate of return (benchmark)	The return that must be achieved before a performance fee applies (after management and administration charges but before tax and before the performance fee).	The hurdle rate of return is measured across six-month performance payment review periods and is the OCR plus 5% per annum.	A mix of 50% S&P/ASX 200 Accumulation Index (in NZ dollars) and 50% S&P/NZX 50 Gross Index with Imputation Credits.	The S&P/ASX Small Industrials Accumulation Index. (100% NZD-hedged).
Fee on excess return	The amount of the return above the hurdle rate of return that is subject to a performance fee.	The performance fee is equal to 15% of the amount by which the performance of the Fund (after the deduction of the capped management fee but before tax and before the performance fee) exceeds the hurdle rate of return.		
Performance fee cap	A cap (if any) on the amount of the performance fee.	There is no cap on the level of performance fees.		
High water mark	Where the value of the Fund goes up and then down over multiple periods, this ensures that no performance fee is payable until the last applicable high water mark has been reached.	The high water mark is that Fund's previous highest ever net asset value per unit achieved on 31 March or 30 September (being the performance payment review dates).	The high water mark is that Fund's net asset value per unit used in the calculation of the last performance fee paid on 31 March or 30 September (being the performance payment review dates). For a performance fee to be payable at the end of a particular six-month period, the net asset value per unit of the Fund (before tax and before the performance fee) must exceed the high water mark. Performance gains (if the high water mark is not achieved) or performance losses (relative to benchmark) are carried forward into the next performance period.	
Performance payment review date	How often the performance fee may be payable.	Intended at the date of this document to be six months to 31 March and six months to 30 September.		
Performance fees are payable to Milford as Manager of the Funds.				

Example of how fees apply to an investor

Alex invests \$10,000 in Balanced. He is not charged an establishment fee or a contribution fee, because there are currently none.

This means the starting value of his investment is \$10,000.

He is also charged management and administration fees, which work out to about \$114 (1.14% of \$10,000). These fees might be more or less if his account balance has increased or decreased over the year.

Alex may also be indirectly charged a performance-based fee if the underlying Milford Funds in which Balanced is invested earned more than their target.

Over the year, Alex pays other charges of \$36.

Estimated total fees for the first year

Fund	Fund charges	Other Charges
Balanced	1.14%	\$36

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 Balanced. If you are considering investing in other Funds in the scheme, this example may not be representative of the actual fees you may be charged.

The fees can be changed

The existing fees may be changed or new fees imposed, provided we give you notice. We 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.milfordasset.com/documents or at www.business.govt.nz/disclose.

6. What taxes will you pay?

Each Fund 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 www.ird.govt.nz/toii/pir. If you are unsure of your PIR, we recommend you seek professional advice or contact Inland Revenue.

It is your responsibility to tell Milford your PIR when you invest or if your PIR changes. If you do not tell Milford, a default rate may be applied. If 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 default rate or the advised PIR is higher than the correct PIR, you will not get a refund of any overpaid tax.

You must provide us with both your IRD number and PIR or tax is required to be deducted at the highest PIR. Current PIRs can be found in the application form at the back of this PDS.

Please see the Member Guide at www.milfordasset.com/documents or www.business.govt.nz/disclose for further information on tax.

7. Who is involved?

About Milford

Milford is a wholly owned subsidiary of Milford Asset Management Limited, a well-established, award-winning investment management company that has over \$3.5 billion under management. Milford was created in 2007 to enable investors to take advantage of the investment expertise and experience of the Milford Asset Management Limited team.

Milford can be contacted at:

Milford Funds Limited
 Level 17, 41 Shortland Street
 PO Box 960, Shortland Street, Auckland 1140
 Telephone: 09 921 4700 or 0800 662 346
 Email: info@milfordasset.com

Who else is involved?

	Name	Role
Supervisor	Trustees Executors Limited	Supervisor of the Plan, responsible for supervising us as Manager.
Custodian	National Australia Bank Limited	Holds the assets of the Funds separate to us, and on behalf of the Supervisor.
Administration manager	Trustees Executors Limited	Performs registry functions.
Administration manager	MMC Limited	Performs unit pricing and fund accounting functions.

8. How to complain

In the first instance, please direct any complaints to the Head of Risk and Compliance at:

Milford Funds Limited
Level 17, 41 Shortland Street
PO Box 960, Shortland Street
Auckland 1140
Attn: Compliance
Telephone: 09 921 4700 or 0800 662 346
Email: info@milfordasset.com

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

Trustees Executors Limited
Level 7, 51 Shortland Street
Auckland 1010
Attn: Business Manager - Corporate Trust
Telephone: 09 308 7100

We are a member of the Insurance and Financial Services Ombudsman Scheme (IFSO), which is an independent dispute resolution scheme approved by the Ministry of Consumer Affairs.

If you have made a complaint and it cannot be resolved, you may refer it to the IFSO subject to certain conditions. The IFSO will not charge a fee to investigate or resolve a complaint.

Office of IFSO
PO Box 10-845
Wellington 6143
Telephone: 04 499 7612 or 0800 808 200

Further information about referring a complaint to the IFSO can be found at www.iombudsman.org.nz.

9. Where you can find more information

Further information relating to the Plan, including financial statements, is available on the Disclose register at www.business.govt.nz/disclose.

Copies are also available from the Registrar of Financial Service Providers.

Fund Updates relating to each of the Funds and other information is available.

Milford also publishes monthly information for each Fund, which can be found at www.milfordasset.com/documents or by telephoning 0800 662 346.

You will not be charged any fee to access this information.

10. How to apply

You can apply online at www.milfordasset.com. Please follow the instructions and make sure you have all required information to hand.

Alternatively, you can complete the application form included with this PDS.



Milford KiwiSaver Plan Application / Transfer Form

Please send this application form, together with your certified identification, address verification and any other relevant or required documentation to:
Milford KiwiSaver Plan c/o Trustees Executors Ltd, PO Box 409, Wellington 6140 OR email info@milfordasset.com

Investor Details

TITLE (PLEASE SPECIFY)	GIVEN NAME(S)	SURNAME
<input type="text"/>	<input type="text"/>	<input type="text"/>

DATE OF BIRTH	IRD NUMBER
<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>

Prescribed Investor Rate (PIR) (Please tick appropriate box)

10.5% 17.5% 28%

Note: If a PIR is not selected, 28% will apply. Please see the Member Guide for more information and to help determine your applicable rate.

RESIDENTIAL ADDRESS	POSTCODE
<input type="text"/>	<input type="text"/>
<input type="text"/>	

POSTAL ADDRESS (If different from your residential address)	POSTCODE
<input type="text"/>	<input type="text"/>

CONTACT NUMBER

EMAIL ADDRESS (required for self-registering online service)





Milford KiwiSaver Plan Application / Transfer Form (continued)

Investment Details

The Milford KiwiSaver Plan offers the option of investing your contributions in either the Active Growth Fund, the Balanced Fund, the Conservative Fund or splitting your contributions across two or three funds. Please note the percentage you wish to invest into each Fund, ensuring the amount totals 100%. If you wish to invest in one Fund only, please tick that box.

Conservative Fund % Balanced Fund % Active Growth Fund %

In the event of an error in completing this part of the form, Milford has the discretion to allocated you into the Milford Conservative Fund.

Transfer from current KiwiSaver scheme

This is a transfer from:

I apply to transfer my benefit from the above scheme to the Milford KiwiSaver Plan. I authorise the manager or the trustee of the transferring scheme to provide to Milford or the Trustee of the Milford KiwiSaver Plan any of my personal information as necessary to complete the transfer of my benefits to the Milford KiwiSaver Plan. Please note if you wish to transfer a non-KiwiSaver Superannuation Fund to your KiwiSaver account, please contact Milford directly.

Employment Details

Are you employed?

Yes No Self-employed

Employees

If you are employed your regular contributions will be made by your employer. If you wish to invest an additional amount directly, please contact Milford or complete a direct debit form.

Elected contribution Rate

3% 4% 8%

Please advise your employer of your selection Milford cannot alter your rate, this must be done by your employer.

Non employees

If you are not employed (self-employed, under 18, retired, etc) and NOT transferring an existing KiwiSaver account, please then please complete the amount of your initial investment. The minimum initial investor contribution is \$1,000 (excluding any Government contribution).

Initial Investment

Please make the cheque payable to 'Milford KiwiSaver Plan'. Or direct credit to **02 0500 0966274 000** in the name of Milford KiwiSaver Plan.



Milford KiwiSaver Plan Application / Transfer Form (continued)

Investor Identification

The Anti-Money Laundering and Countering Financing of Terrorism Act 2009 requires Milford to verify the identity of new clients and, periodically, confirm or reconfirm information about existing clients. At the date of this Product Disclosure Statement ('PDS') we have **two alternatives** for clients to confirm their identity, either using an electronic verification system or by providing certified copies of their identification documents.

OPTION 1

Electronic Identity Verification and Proof of Address

Milford can confirm the identity of many of our clients electronically, with their permission.

If you wish to use this option, please complete the section below and sign in the box to confirm you give Milford authority to check your identity this way using details you provide below.

Please note that if you choose to verify your identity using a driving licence you must also provide a **bank statement** with your application form dated within the last 3 months as proof of your bank account.

New Zealand Driver licence number AND New Zealand Driver licence version number; or

New Zealand Passport number AND New Zealand Passport expiry date

RESIDENTIAL ADDRESS

POSTCODE

SIGNATURE OF APPLICANT

DATE

 /

OPTION 2

Traditional Identity Verification and Proof of Address

If you prefer to provide Milford with certified copies of your identification documents and paper based proof of address, then we can accept the following copies

Either:

- The photograph pages of your current passport OR ■ A New Zealand firearms licence

OR:

A copy of your New Zealand driving licence (including the photo side and the expiry date) accompanied by one of the following forms of non-photographic identification;

- Your birth certificate ■ Certificate of New Zealand citizenship
- A bank statement issued in the last 12 months ■ A statement issued by a government agency such as IRD or WINZ in the last 12 months



Milford KiwiSaver Plan Application / Transfer Form (continued)

Investor Identification (continued)

Certification of documents can be completed by the following professionals, who should be independent of you and the investment you are making. They must be dated within the last 3 months:

- Justice of the Peace or Notary public
- NZ Registered medical doctor
- NZ registered Lawyer
- Member of Parliament
- NZ Registered teacher
- Chartered Accountant
- Member of the NZ Police

If you cannot meet these requirements, please contact us.

Address Verification

To verify your current address please send us a copy of one of the following, that states your physical address, and be dated within the last 3 months:

- a bank statement (only if not provided as part of identity verification)
- a utility bill for a fixed service (i.e. power, water, rates, landline)
- a letter from a government agency, such as IRD or WINZ.

Terms and Conditions

The Privacy Act 1993

This statement relates to the personal information that you are providing to Milford Funds Limited by way of this application and any subsequent personal information which you may provide in the future. The personal information you have supplied may be used by Milford Funds Limited and Trustees Executors Limited (and related entities thereof) for the purposes of enabling Milford Funds Limited to arrange and manage your investment, and to contact you in relation to your investment. Milford will at all times keep confidential information for as long as is required by law. Where necessary we may need to disclose your information under compulsion of law, or where requested by regulatory agencies (including the Financial Markets Authority), or to any tax authority, or to our professional advisers where reasonable necessary for the performance of our professional services.

Milford Funds Limited will also use the information to verify your identity in accordance with the requirements of the Anti-Money Laundering and Countering Financing of Terrorism Act 2009, and may disclose the information to such carefully selected external and independent agencies and entities as it considers appropriate for this purpose. Milford Funds Limited will provide you (on request) with the name and address of any entity to which information has been disclosed. You have the right to access all personal information held about you by Milford Funds Limited.

If any of the information is incorrect, you have the right to have it corrected. You agree that your name and address may be used by Milford Funds Limited or any of its related companies, including Milford Asset Management Limited to provide you with newsletters and other information about the Milford KiwiSaver Plan and other products and services.



Milford KiwiSaver Plan Application / Transfer Form (continued)

Terms and Conditions (continued)

Email Use

I consent to receiving financial statements, and other documents which the Supervisor and Milford are required to send to me, electronically at the email address(es) on this form, or other email address(es) advised to Milford. If no email address is supplied, financial statements and other documents which the Supervisor or Milford are required to send to me will be mailed to my postal address.

Declaration

I have read and retained a copy of the attached PDS dated 17 August 2016 and agree to be bound by the terms and conditions of the Trust Deed. I agree to the terms outlined above in relation to the Privacy Act 1993 and the supply of personal information. I understand that the Milford KiwiSaver Plan is a vehicle for long-term investment and as the Funds invest in equities, 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 accept that it is solely my decision to make this investment and that I have chosen the appropriate fund for my circumstances. I understand that Milford has not assessed the suitability of this investment for my personal financial situation, financial needs or goals.

SIGNATURE OF APPLICANT

DATE

Application Form Checklist

- Name
- IRD number
- Date of birth
- Certified personal identification or Electronic Identity information with bank account information
- Address verification

Notes



MILFORD

Level 17, 41 Shortland Street Auckland
PO Box 960, Shortland Street, Auckland 1140
Free phone **0800 662 346**
milfordasset.com