



## Milford Unit Trust PIE Funds Product Disclosure Statement

# Product Disclosure Statement

Milford Funds Limited  
17 August 2016

# 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 Unit Trust PIE Funds ('Milford Funds') Scheme offer seven 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](http://www.sorted.org.nz/tools/investor-kickstarter).

## Who manages the Milford Funds?

The manager of the Milford Funds is Milford. See Section 7 "Who is involved?" for more information.

## What are the returns?

The return on your investment comes from:

- any change in the unit price, and
- any income distributions made from the Fund.

We intend for Diversified Income and Conservative to make distributions quarterly and for Trans-Tasman to make distributions twice yearly.

Other Funds are not intended to make distributions.

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

## How can you get your money out?

Investments in the Funds are redeemable. As described in Section 2 "How does this investment work" we may, with the Supervisor's approval, defer payment or suspend your ability to withdraw your investment, in certain circumstances.

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

## How will your investment be taxed?

Each Fund 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 0%, 10.5%, 17.5% or 28%. See Section 6 of this 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](http://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 Conservative <b>(Conservative)</b>	<p><b>Objective</b> - Moderate return** and protect capital over the minimum recommended timeframe.</p> <p><b>Description</b> - 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 Diversified Income <b>(Diversified Income)</b>	<p><b>Objective</b> - Income and capital growth** over the minimum recommended timeframe.</p> <p><b>Description</b> - Diversified fund that primarily invests in fixed interest and equity income-generating securities.</p>	<p>Lower risk Higher risk</p> <p>Potentially lower returns Potentially higher returns</p>	1.05% ^ (includes estimated performance fee)
Milford Balanced <b>(Balanced)</b>	<p><b>Objective</b> - Capital growth** over the minimum recommended timeframe.</p> <p><b>Description</b> - 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>	1.38% ^ (includes estimated performance fee)
Milford Active Growth <b>(Active Growth)</b>  <b>Not available to new investors</b>	<p><b>Objective</b> - Annual returns of 10%** over the minimum recommended time frame.</p> <p><b>Description</b> - 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>	1.44% ^ (includes estimated performance fee)

Fund	Investment Objective	Risk Indicator	Estimated Annual Fund Charges***
Milford Trans-Tasman <b>(Trans-Tasman)</b>	<p><b>Objective</b> - Capital growth** by out-performing a mix of two relevant share market indices over the minimum recommended timeframe.</p> <p><b>Description</b> - Primarily invests in Australasian equities.</p>	<p>Lower risk</p> <p>Potentially lower returns</p> <p>Potentially higher returns</p>	<p>1.05% ^ (includes estimated performance fee)</p>
Milford Global <b>(Global)</b>	<p><b>Objective</b> - Capital growth** through global investments over the minimum recommended timeframe.</p> <p><b>Description</b> - Primarily invests in international equities.</p>	<p>Lower risk</p> <p>Potentially lower returns</p> <p>Potentially higher returns</p>	<p>1.70% ^ (includes estimated performance fee)</p>
Milford Dynamic <b>(Dynamic)</b>	<p><b>Objective</b> - Capital growth** by out-performing the relevant share market index over the minimum recommended timeframe.</p> <p><b>Description</b> - Primarily invests in small-to mid-cap Australasian equities.</p>	<p>Lower risk</p> <p>Potentially lower returns</p> <p>Potentially higher returns</p>	<p>1.35% ^ (includes estimated performance fee)</p>

\* We have used a mixture of market index returns and actual returns to calculate the risk indicator for Conservative, Global and Dynamic as they were launched within the last 5 years. Market index returns have been used for the period in the table opposite to calculate the risk indicator for Diversified Income as its investment policy has changed significantly and its returns before the change would not reflect its current investment policy.

This means that the risk indicators for these Funds do not reflect the actual returns for the period specified in the table. Therefore these risk indicators may provide a less reliable indicator of the potential future volatility of these Funds.

\*\* After the annual fund charges but before tax and before the performance fee (if applicable).

Fund	Period of market index returns used
Conservative	01/07/2011 to 31/08/2015
Diversified Income	01/07/2011 to 31/08/2015
Global	01/07/2011 to 11/04/2013
Dynamic	01/07/2011 to 30/09/2013

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

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

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## 2. How does this investment work?

The Milford Funds are a managed investment scheme that is governed by a trust deed dated 1 August 2016.

Your money is pooled with that of other investors of the relevant Fund. However, the assets of one Fund cannot be used to cover the liabilities of another Fund. The interests of investors 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 for 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.

At the date of this document, there are seven Funds; Conservative, Diversified Income, Balanced, Active Growth, Trans-Tasman, Global and Dynamic. **Currently, Active Growth is closed to new investors.**

### We intend for:

- Diversified Income to make distributions quarterly in February, May, August and November; and
- Conservative to make distributions quarterly in January, April, July and October; and
- Trans-Tasman to make distributions semi-annually in March and September

No other Fund makes regular distributions. You can, however, make withdrawals from any Fund at any time.

A distribution represents a percentage of income received from your investment.

## Making investments

You can invest into a Fund by completing and sending us the application form at the back of this document, along with the required supporting information and cleared funds for investment.

We may reject or postpone any application and are not required to give a reason for this.

At the date of this document, the minimum initial lump sum investment in a Fund is \$10,000. You can also make additional lump sum contributions to a Fund at any time. We may impose conditions or restrictions on the offer of units as determined by us from time to time.

## Withdrawing your investments

You may withdraw all or part of your investment at any time by completing a withdrawal request form.

Unless you are cashing in your investment, a minimum balance (\$10,000) must be maintained, unless we determine otherwise. All units are redeemed for cash.

We may, with prior notice to the Supervisor suspend withdrawal requests or defer payment of withdrawals where, due to certain circumstances arising (for example, political or market conditions), we form the opinion that it is not practicable or would be prejudicial to the general interests of unitholders, or that suspension is desirable for the Fund.


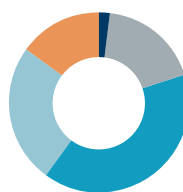

## How to switch between Funds

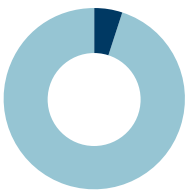

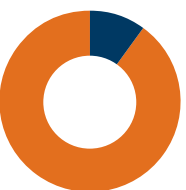

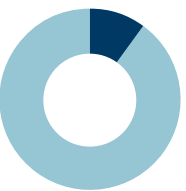

You can switch between Funds. This will be considered a withdrawal from one Fund and an application for units in another Fund. All the conditions and restrictions on applications and withdrawals will therefore apply.

## Need more information?

More information on investing and withdrawals is included in the Investor Guide found at [www.milfordasset.com/](http://www.milfordasset.com/) documents or [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose)

### 3. Description of your investment option(s)

Fund	Investment objective and strategy	Target investment mix <sup>^</sup> (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"> <li>■ Cash and Cash Equivalents 6%</li> <li>■ NZ Fixed Interest 36%</li> <li>■ International Fixed Interest 41%</li> <li>■ Australasian Equities 6%</li> <li>■ International Equities 7%</li> <li>■ Listed Property 4%</li> <li>■ Unlisted Property 0%</li> <li>■ Commodities 0%</li> <li>■ Other* 0%</li> </ul> <p><b>Income 83%</b>      <b>Growth 17%</b></p>	<p>Lower risk <span style="float: right;">Higher risk</span></p>  <p>Potentially lower returns      Potentially higher returns</p>	3 years
Diversified Income	<p>To provide income and capital growth** over the minimum recommended timeframe.</p> <p>A diversified fund that primarily invests in fixed interest and equity income-generating securities.</p>	 <ul style="list-style-type: none"> <li>■ Cash and Cash Equivalents 2%</li> <li>■ NZ Fixed Interest 18%</li> <li>■ International Fixed Interest 40%</li> <li>■ Australasian Equities 25%</li> <li>■ International Equities 0%</li> <li>■ Listed Property 15%</li> <li>■ Unlisted Property 0%</li> <li>■ Commodities 0%</li> <li>■ Other* 0%</li> </ul> <p><b>Income 60%</b>      <b>Growth 40%</b></p>	<p>Lower risk <span style="float: right;">Higher risk</span></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"> <li>■ Cash and Cash Equivalents 9%</li> <li>■ NZ Fixed Interest 11%</li> <li>■ International Fixed Interest 20%</li> <li>■ Australasian Equities 30%</li> <li>■ International Equities 24%</li> <li>■ Listed Property 6%</li> <li>■ Unlisted Property 0%</li> <li>■ Commodities 0%</li> <li>■ Other* 0%</li> </ul> <p><b>Income 40%</b>      <b>Growth 60%</b></p>	<p>Lower risk <span style="float: right;">Higher risk</span></p>  <p>Potentially lower returns      Potentially higher returns</p>	5 years
<p>Active Growth</p> <p><b>Not available to new investors</b></p>	<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"> <li>■ Cash and Cash Equivalents 15%</li> <li>■ NZ Fixed Interest 2%</li> <li>■ International Fixed Interest 3%</li> <li>■ Australasian Equities 68%</li> <li>■ International Equities 12%</li> <li>■ Listed Property 0%</li> <li>■ Unlisted Property 0%</li> <li>■ Commodities 0%</li> <li>■ Other* 0%</li> </ul> <p><b>Income 20%</b>      <b>Growth 80%</b></p>	<p>Lower risk <span style="float: right;">Higher risk</span></p>  <p>Potentially lower returns      Potentially higher returns</p>	5 years

Fund	Investment objective and strategy	Target investment mix <sup>^</sup> (see note following table)	Risk Indicator	Minimum recommended investment timeframe
<p>Trans-Tasman</p>	<p>To provide capital growth** by out-performing a mix of two relevant share market indices over the recommended investment timeframe.</p> <p>Primarily invests in Australasian equities.</p>	 <ul style="list-style-type: none"> <li>■ Cash and Cash Equivalents 5%</li> <li>■ NZ Fixed Interest 0%</li> <li>■ International Fixed Interest 0%</li> <li>■ Australasian Equities 95%</li> <li>■ International Equities 0%</li> <li>■ Listed Property 0%</li> <li>■ Unlisted Property 0%</li> <li>■ Commodities 0%</li> <li>■ Other* 0%</li> </ul> <p><b>Income 5%</b>      <b>Growth 95%</b></p>	<p>Lower risk      Higher risk</p>  <p>Potentially lower returns      Potentially higher returns</p>	<p>5 years</p>
<p>Global</p>	<p>To provide capital growth** through global investments over the recommended investment timeframe.</p> <p>Primarily invests in international equities.</p>	 <ul style="list-style-type: none"> <li>■ Cash and Cash Equivalents 10%</li> <li>■ NZ Fixed Interest 0%</li> <li>■ International Fixed Interest 0%</li> <li>■ Australasian Equities 0%</li> <li>■ International Equities 90%</li> <li>■ Listed Property 0%</li> <li>■ Unlisted Property 0%</li> <li>■ Commodities 0%</li> <li>■ Other* 0%</li> </ul> <p><b>Income 10%</b>      <b>Growth 90%</b></p>	<p>Lower risk      Higher risk</p>  <p>Potentially lower returns      Potentially higher returns</p>	<p>5 years</p>
<p>Dynamic</p>	<p>To provide capital growth** by out-performing the relevant share market index over the recommended investment timeframe.</p> <p>Primarily invests in small to mid-cap Australasian equities.</p>	 <ul style="list-style-type: none"> <li>■ Cash and Cash Equivalents 10%</li> <li>■ NZ Fixed Interest 0%</li> <li>■ International Fixed Interest 0%</li> <li>■ Australasian Equities 90%</li> <li>■ International Equities 0%</li> <li>■ Listed Property 0%</li> <li>■ Unlisted Property 0%</li> <li>■ Commodities 0%</li> <li>■ Other* 0%</li> </ul> <p><b>Income 10%</b>      <b>Growth 90%</b></p>	<p>Lower risk      Higher risk</p>  <p>Potentially lower returns      Potentially higher returns</p>	<p>5 years</p>



^ 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, Global and Dynamic as they were launched within the last 5 years.

Market index returns have been used for the period in the table below to calculate the risk indicator for Diversified Income as its investment policy has changed significantly and its returns before the change would not reflect its current investment policy.

This means that the risk indicators for these Funds do not reflect the actual returns for the period specified in the table. Therefore these risk indicators may provide a less reliable indicator of the potential future volatility of these Funds.

Fund	Period of market returns used
Conservative	01/07/2011 to 31/08/2015
Diversified Income	01/07/2011 to 31/08/2015
Global	01/07/2011 to 11/04/2013
Dynamic	01/07/2011 to 30/09/2013

\*\* 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') 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](http://www.milfordasset.com/documents) or at [www.business.govt.nz/disclose](http://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](http://www.milfordasset.com/documents) or at [www.business.govt.nz/disclose](http://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](http://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 investment 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 the investor should be aware of.

**Fund of funds risk**

While the Funds invest primarily into other Milford Wholesale Funds, Global and Balanced invest 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 the manager of that fund may suspend withdrawals. This may have an impact on your ability to withdraw or switch between the 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 Milford's Risks document that can be found at [www.milfordasset.com/documents](http://www.milfordasset.com/documents) or [www.business.govt.nz/](http://www.business.govt.nz/) disclose.

## 5. What are the fees?

You will be charged fees for investing in the Milford 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%	Nil	N/A
Diversified Income	0.65%	0.40%	1.05%		0.91%
Balanced	1.13%	0.25%	1.38%		0.70%
Active Growth	1.09%	0.35%	1.44%		0.86%
Trans-Tasman	1.05%	0%	1.05%		0.76%
Global	1.50%	0.20%	1.70%		0.46%
Dynamic	1.35%	0%	1.35%		0.55%

\* 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 the 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 relevant Fund's performance benchmark over each performance review period.

The market indices for Trans-Tasman and Dynamic, are the same as the performance benchmark, so no performance fees have been estimated.

\*\*\* 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 Investor 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 the Fund unit prices of the relevant Funds.

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.

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 that have performance fees: Trans-Tasman, Global and Dynamic.

We are entitled to be paid a performance fee for Diversified Income, Active Growth, Trans-Tasman, Global and Dynamic.

Element	Description	Absolute Return Funds			Relative Return Funds	
		Diversified Income	Active Growth	Global	Trans-Tasman	Dynamic
Hurdle rate of return (benchmark)	The return that must be achieved before a performance fee applies (after the capped management fee 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 2.5% per annum.	The hurdle rate of return is measured across six-month performance payment review periods and is based on 10% per annum.	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 10% 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.	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.				

Element	Description	Absolute Return Funds			Relative Return Funds	
		Diversified Income	Active Growth	Global	Trans-Tasman	Dynamic
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.	<p>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).</p> <p>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.</p> <p>Absolute performance losses are carried forward into the next performance period.</p>			<p>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).</p> <p>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.</p> <p>Performance gains (if the high water mark is not achieved) or performance losses (relative to benchmark) are carried forward into the next performance period.</p>	
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.

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.

Trans-Tasman and Dynamic are relative return funds, which mean that the hurdle rate of return is based on the Fund outperforming its relevant market index.

Diversified Income, Active Growth and Global are absolute return style funds. The hurdle rate of return (which represents the Fund's aims) is the measure for each 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.

## Example of how fees apply to an investor

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

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

She is also charged management and administration fees, which work out to about \$113 (1.13% of \$10,000). These fees might be more or less if her account balance has increased or decreased over the year.

Ella may also be indirectly charged a performance-based fee if the underlying Milford Unit Trust PIE Fund in which it is invested earned more than its target.

Over the year, Ella pays no other charges.

### Estimated total fees for the first year

Fund	Fund charges	Other Charges
Balanced	1.13%	NIL

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, 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 must publish a Fund Update for each Fund showing the fees actually charged during the most recent year. Fund Updates, including past Updates, are available at [www.milfordasset.com/documents](http://www.milfordasset.com/documents) or at [www.business.govt.nz/disclose](http://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](http://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 Investor Guide at [www.milfordasset.com/documents](http://www.milfordasset.com/documents) or [www.business.govt.nz/disclose](http://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 662 345  
 Facsimile: 09 921 4709  
 Email: [info@milfordasset.com](mailto: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 662 345  
 Email: [info@milfordasset.com](mailto: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](http://www.iombudsman.org.nz).

## 9. Where you can find more information

Further information relating to Milford Funds, including financial statements, is available on the Disclose register at [www.business.govt.nz/disclose](http://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](http://www.milfordasset.com/documents) or by telephoning 0800 622 345.

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

## 10. How to apply

You can apply online at [www.milfordasset.com](http://www.milfordasset.com). Please follow the instructions and make sure you have all the required information to hand.

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



## Milford Unit Trust PIE Funds Individual Application Form

Please send this application form, together with your cheque or direct credit payment details, and any other relevant or required documentation to:  
**Milford Funds Limited, PO Box 960, Shortland Street, Auckland 1140 OR email [info@milfordasset.com](mailto: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)

0% (Notified Foreign Investor)\*  0% (Transitional resident)\*  10.5%  17.5%  28%

**Note:** \*Milford Global Fund only. Please see additional documentation requirements in the Investor Guide to qualify for these PIR rates.

If a PIR is not selected, or an IRD number is not supplied, 28% PIR will apply.

Are you a US citizen/US tax resident?  Yes  No

If yes please provide your US taxpayer identification number (TIN) (for individuals this is their Social Security Number).

**Source of Funds** (eg Business earnings; property sale; existing savings)

If there is an independent adviser associated with this application please note the adviser code (email [info@milfordasset.com](mailto:info@milfordasset.com) to obtain an adviser code).

ADVISER CODE





## Milford Unit Trust PIE Funds Individual Application Form (continued)

### Investor Details (continued)

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)

### Investment Details

INVESTMENT AMOUNT (MINIMUM OF \$10,000 PER FUND)

Milford Conservative Fund

Milford Diversified Income Fund

Milford Balanced Fund

Milford Global Fund

Milford Trans-Tasman Fund

Milford Dynamic Fund

Please note the Milford Active Growth Fund is closed to new investors.

**Payment:**

Cheque - Please make your cheque payable to 'TEA Custodians Ltd o/a Milford Funds Ltd' and cross it 'not transferable'.

Direct Credit - Please deposit direct credit payments in the following TEA Custodians Limited o/a Milford Funds Ltd account: **02-0500-0907231-000**.

**Please reference this payment with your IRD number and your name.**



## Milford Unit Trust PIE Funds Individual Application Form (continued)

### Bank Account Details

You must provide us with bank account details. This must be a New Zealand domiciled bank account which is in the same name as your Milford Funds holding.

ACCOUNT NAME

BANK

BRANCH

ACCOUNT 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"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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BANK

BRANCH

ACCOUNT NUMBER

SUFFIX

You must supply proof of bank account. Please refer to page 5.

### Distribution Options

Please also indicate if you would like distributions from the Conservative Fund and/ or the Diversified Income and/or the Trans-Tasman Fund to be reinvested or paid into your above bank account. (If no option is selected, all distributions will be reinvested).

Conservative Fund  REINVEST  DIRECT CREDIT TO BANK ACCOUNT

Diversified Income Fund  REINVEST  DIRECT CREDIT TO BANK ACCOUNT

Trans-Tasman Fund  REINVEST  DIRECT CREDIT TO BANK ACCOUNT



## Milford Unit Trust PIE Funds Individual Application 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





## Milford Unit Trust PIE Funds Individual Application Form (continued)

### Investor Identification (continued)

#### 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

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.

##### Proof of Bank account

If you do not supply proof of bank account as part of your identity verification, you must provide a deposit slip or a bank statement dated within the last 3 months as proof of your bank account.

If applicable, the bank account provided under distribution details should match the proof of bank account information.



## Milford Unit Trust PIE Funds Individual Application Form (continued)

### 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. If applicable, we will also disclose required information about you to IRS in the United States to comply with FATCA. 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 Unit Trust PIE Funds and other products and services.

#### 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 Unit Trust PIE Funds are 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



## Milford Unit Trust PIE Funds Individual Application Form (continued)

### Application Form Checklist

- Name
- IRD number
- Date of birth
- US Citizen/Tax resident details
- Bank Account details and proof of account
- Certified personal identification or Electronic Identity information - (refer page 4)
- Address verification

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## Milford Unit Trust PIE Funds Joint Name Application Form

Please send this application form, together with your cheque or direct credit payment details, and any other relevant documentation to:  
**Milford Funds Limited, PO Box 960, Shortland Street, Auckland 1140 OR email [info@milfordasset.com](mailto:info@milfordasset.com)**

### Investor Details 1

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)

0% (Notified Foreign Investor)\*  0% (Transitional resident)\*  10.5%  17.5%  28%

**Note:** \*Milford Global Fund only. Please see additional documentation requirements in the Investor Guide to qualify for these PIR rates.

If a PIR is not selected, or an IRD number is not supplied, 28% PIR will apply.

Is the investor a US citizen/US tax resident?  Yes  No

If yes please provide the Investor US taxpayer identification number (TIN) (for individuals this is their Social Security Number).

**Source of Funds** (e.g. Business earnings; property sale; existing savings)





## Milford Unit Trust PIE Funds Joint Name Application Form (continued)

### Investor Details 2

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)

0% (Notified Foreign Investor)\*  0% (Transitional resident)\*  10.5%  17.5%  28%

**Note:** \*Milford Global Fund only. Please see additional documentation requirements in the Investor Guide to qualify for these PIR rates.

If a PIR is not selected, or an IRD number is not supplied, 28% PIR will apply.

If yes please provide the Investor US taxpayer identification number (TIN) (for individuals this is their Social Security Number).

Are you a US citizen/US tax resident?  Yes  No

If yes please provide your US taxpayer identification number (TIN) (for individuals this is your Social Security Number).

**Source of Funds** (e.g. Business earnings; property sale; existing savings)

If there is an independent adviser associated with this application please note the adviser code, (email [info@milfordasset.com](mailto:info@milfordasset.com) to obtain an adviser code).

ADVISER CODE



## Milford Unit Trust PIE Funds Joint Name Application Form (continued)

### Investor Details (continued)

RESIDENTIAL ADDRESS

POSTCODE

<input type="text"/>	<input type="text"/>
<input type="text"/>	

POSTAL ADDRESS (if different from the residential address)

POSTCODE

<input type="text"/>	<input type="text"/>
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CONTACT NUMBER

EMAIL ADDRESS (required for self-registering online service)

### Investment Details

INVESTMENT AMOUNT (MINIMUM OF \$10,000 PER FUND)

Milford Conservative Fund	<input type="text"/>
Milford Diversified Income Fund	<input type="text"/>
Milford Balanced Fund	<input type="text"/>
Milford Global Fund	<input type="text"/>
Milford Trans-Tasman Fund	<input type="text"/>
Milford Dynamic Fund	<input type="text"/>

Please note the Milford Active Growth Fund is closed to new investors.

**Payment:**

Cheque - Please make your cheque payable to 'TEA Custodians Ltd o/a Milford Funds Ltd' and cross it 'not transferable'.

Direct Credit - Please deposit direct credit payments in the following TEA Custodians Limited o/a Milford Funds Ltd account: **02-0500-0907231-000**.

**Please reference this payment with your IRD number and your name.**



## Milford Unit Trust PIE Funds Joint Name Application Form (continued)

### Bank Account Details

You must provide us with bank account details. This must be a New Zealand domiciled bank account which is in the same name as your Milford Funds holding.

ACCOUNT NAME

BANK

BRANCH

ACCOUNT 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"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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BANK

BRANCH

ACCOUNT NUMBER

SUFFIX

You must supply proof of bank account. Please refer to page 7.

### Distribution Options

Please also indicate if you would like distributions from the Conservative Fund and/ or the Diversified Income and/or the Trans-Tasman Fund to be reinvested or paid into your above bank account. (If no option is selected, all distributions will be reinvested).

Conservative Fund  REINVEST  DIRECT CREDIT TO BANK ACCOUNT

Diversified Income Fund  REINVEST  DIRECT CREDIT TO BANK ACCOUNT

Trans-Tasman Fund  REINVEST  DIRECT CREDIT TO BANK ACCOUNT





## Milford Unit Trust PIE Funds Joint Name Application 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 below 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.

#### Investor One:

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

#### Investor Two:

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

New Zealand Passport number      AND      New Zealand Passport expiry date



## Milford Unit Trust PIE Funds Joint Name Application Form (continued)

### Investor Identification (continued)

RESIDENTIAL ADDRESS

POSTCODE


SIGNATURE OF APPLICANT

DATE

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

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.



## Milford Unit Trust PIE Funds Joint Name Application Form (continued)

### Proof of Bank account

If you do not supply proof of bank account as part of your identity verification, you must provide a deposit slip or a bank statement dated within the last 3 months as proof of your bank account.

If applicable, the bank account provided under distribution details should match the proof of bank account information.

## 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. If applicable, we will also disclose required information about you to IRS in the United States to comply with FATCA. 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 each of your names and addresses 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 Unit Trust PIE Funds and other products and services.

### Email Use

We consent to receiving financial statements, and other documents which the Supervisor and Milford are required to send to us, 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 use will be mailed to our postal address.

### Declaration

We 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. We agree to the terms outlined above in relation to the Privacy Act 1993 and the supply of personal information. We understand that the Milford Unit Trust PIE Funds are a vehicle for long-term investment and as the Funds invest in equities, the value of our investment is liable to fluctuations and may rise and fall from time to time. We understand the manner in which the fees will be deducted from our investment. We accept that it is solely our decision to make this investment and that we have chosen the appropriate fund for our circumstances. We understand that Milford has not assessed the suitability of this investment for my/our personal financial situation, financial needs or goals.

SIGNATURE OF APPLICANT

DATE

SIGNATURE OF APPLICANT

DATE



## Milford Unit Trust PIE Funds Joint Name Application Form (continued)

### Application Form Checklist

- Name of investors
- IRD number of each investor
- Date of birth for each investor
- US Citizen/Tax resident details
- Bank Account details and proof of account
- Certified personal identification or Electronic Identity information for each investor - (refer page 5-6)
- Address verification



## Milford Unit Trust PIE Funds Company / Trust or Entity Application Form

Please send this application form, together with your cheque or direct credit payment details, and any other relevant documentation to:  
**Milford Funds Limited, PO Box 960, Shortland Street, Auckland 1140 OR email [info@milfordasset.com](mailto:info@milfordasset.com)**

### Investing Entity details

COMPANY/TRUST NAME (Please list names of Trustees, Directors etc below)

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"/>
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POSTAL ADDRESS (Must not be a PO Box)

POSTCODE

CONTACT NUMBER

EMAIL ADDRESS (correspondence only purposes)

SOURCE OF FUNDS (required to meet AML/CFT obligations)

Please tell us where the funds for investment came from, and the source of the sum. Please provide as much details as possible.

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

0% (Notified Foreign Investor)\*  0% (Transitional resident)\*  0%  10.5%  17.5%  28%

**Note:** \*Milford Global Fund only. Please see additional documentation requirements in the Investor Guide to qualify for these PIR rates.

If a PIR is not selected, or an IRD number is not supplied, 28% PIR will apply.





## Milford Unit Trust PIE Funds Company / Trust or Entity Application Form (continued)

### Investing Entity details (continued)

1. Is the entity a United States (US) company, Trust or Partnership for US tax purposes?  Yes  No

If 'no' please go to question 2. If 'yes' please provide the US Tax Identification Number (TIN)

TIN

2. Is the entity a Financial Institution?  Yes  No

If the entity is not a Financial Institution, please complete question 3.

3. Does the entity have any US Controlling Persons?  Yes  No

If 'no' please go to Investment Details. If 'yes' please complete the below for the individuals.

Controlling Person means any individual who can exercise control over the investing entity. For example, any individual who owns, directly or indirectly, 25% or more of a company's share capital or the trustee, beneficiary or settlor of a trust.

#### US Controlling person 1

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

DATE OF BIRTH	POSTAL ADDRESS (Must not be a PO Box)
<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/>

Please provide your US taxpayer identification number (TIN) (For individuals this is your Social Security Number)

TIN

#### US Controlling person 2

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

DATE OF BIRTH	POSTAL ADDRESS (Must not be a PO Box)
<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/>

Please provide your US taxpayer identification number (TIN) (For individuals this is your Social Security Number)

TIN

If there is an independent adviser associated with this application please note your adviser code, (email [info@milfordasset.com](mailto:info@milfordasset.com) to obtain an adviser code).

ADVISER CODE



## Milford Unit Trust PIE Funds Company / Trust or Entity Application Form (continued)

### Director / Trustee 1 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"/>	
POSTAL ADDRESS (Must not be a PO Box)	POSTCODE	
<input type="text"/>	<input type="text"/>	
EMAIL ADDRESS (required for self-registering online service)		
<input type="text"/>		

### Director / Trustee 2 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"/>	
POSTAL ADDRESS (Must not be a PO Box)	POSTCODE	
<input type="text"/>	<input type="text"/>	
EMAIL ADDRESS (required for self-registering online service)		
<input type="text"/>		



## Milford Unit Trust PIE Funds Company / Trust or Entity Application Form (continued)

### Director / Trustee 3 Details

TITLE (PLEASE SPECIFY)	GIVEN NAME(S)	SURNAME
<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>
DATE OF BIRTH	IRD NUMBER	
<input style="width: 100%;" type="text"/>	<input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/>	
POSTAL ADDRESS (Must not be a PO Box)		POSTCODE
<input style="width: 100%;" type="text"/>		<input style="width: 100%;" type="text"/>
EMAIL ADDRESS (required for self-registering online service)		
<input style="width: 100%;" type="text"/>		

Details for any other directors or trustees should be continued on a separate sheet.

### Investment Details

	INVESTMENT AMOUNT (MINIMUM OF \$10,000 Per Fund)
Milford Conservative Fund	<input style="width: 100%; height: 25px;" type="text"/>
Milford Diversified Income Fund	<input style="width: 100%; height: 25px;" type="text"/>
Milford Balanced Fund	<input style="width: 100%; height: 25px;" type="text"/>
Milford Global Fund	<input style="width: 100%; height: 25px;" type="text"/>
Milford Trans-Tasman Fund	<input style="width: 100%; height: 25px;" type="text"/>
Milford Dynamic Fund	<input style="width: 100%; height: 25px;" type="text"/>

Please note the Milford Active Growth Unit Trust PIE Fund is closed to new investors.

**Payment:**

Cheque - Please make your cheque payable to 'TEA Custodians Ltd o/a Milford Funds Ltd' and cross it 'not transferable'.

Direct Credit - Please deposit direct credit payments in the following TEA Custodians Limited o/a Milford Funds Ltd account: **02-0500-0907231-000**.

**Please reference this payment with your IRD number and your name.**





## Milford Unit Trust PIE Funds Company / Trust or Entity Application Form (continued)

### Bank Account Details

You must provide us with bank account details. This must be a New Zealand domiciled bank account which is in the same name as your Milford Funds holding.

ACCOUNT NAME

BANK

BRANCH

ACCOUNT 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"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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BANK

BRANCH

ACCOUNT NUMBER

SUFFIX

You must supply proof of bank account. Please refer to page 8.

### Distribution Options

Please also indicate if you would like distributions from the Conservative Fund and/ or the Diversified Income and/or the Trans-Tasman Fund to be reinvested or paid into your above bank account. (If no option is selected, all distributions will be reinvested).

Conservative Fund  REINVEST  DIRECT CREDIT TO BANK ACCOUNT

Diversified Income Fund  REINVEST  DIRECT CREDIT TO BANK ACCOUNT

Trans-Tasman Fund  REINVEST  DIRECT CREDIT TO BANK ACCOUNT



## Milford Unit Trust PIE Funds Company / Trust or Entity Application 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 associated parties and, periodically, confirming information about existing clients and associated parties. In the case of Trust and Company clients we also have to collect other information too. At the date of this Product Disclosure Statement ('PDS') we have **two alternatives** for clients to confirm an individual's identity, either using an electronic verification system or by providing certified copies of their identification documents. **Please note that proof of the designated bank account connected to the application will also be required in all cases.**

#### Who do we need to identify? Trust and Estates

- Trustees
- Settlers where the sum settled into Trust is significant
- Any individuals acting under a Power of Attorney
- Any non-discretionary beneficiaries with greater than 25% interest in the trust
- Any other individuals who have influence or control over investment decisions

#### Who do we need to identify? Companies and other Entities

- Directors
- Shareholders (other than directors) who control more than 25% of the company
- Any authorised officials or officers
- Any other individuals who have influence or control over investment decisions

#### 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 below 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.

#### Director / Trustee 1

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



## Milford Unit Trust PIE Funds Company / Trust or Entity Application Form (continued)

### Investor Identification (continued)

#### Director / Trustee 2

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

#### Director / Trustee 3

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



## Milford Unit Trust PIE Funds Company / Trust or Entity Application Form (continued)

### Investor Identification (continued)

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

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.

##### Proof of Bank account

If you do not supply proof of bank account as part of your identity verification, you must provide a deposit slip or a bank statement dated within the last 3 months as proof of your bank account.

If applicable, the bank account provided under distribution details should match the proof of bank account information.

##### Other requirements - Trust and Estates

- Copy of the trust deed, including any amendments and subsequent trustee appointment documentation
- Name and birth date of each beneficiary named in the trust deed
- Copy of Power of Attorney, if relevant, plus Certificate of Non-Revocation

##### Other requirements - Companies and other entities

- Certificate of incorporation or partnership agreement
- Proof of address for registered office
- List of authorised signatories, if relevant



## Milford Unit Trust PIE Funds Company / Trust or Entity Application Form (continued)

### 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. If applicable, we will also disclose required information about you to IRS in the United States to comply with FATCA. 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 each of your names and addresses 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 Unit Trust PIE Funds and other products and services.

#### Email Use

We consent to receiving financial statements, and other documents which the Supervisor and Milford are required to send to us, 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 use will be mailed to our postal address.

#### Declaration

We 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. We agree to the terms outlined above in relation to the Privacy Act 1993 and the supply of personal information. We understand that the Milford Unit Trust PIE Funds are a vehicle for long-term investment and as the Funds invest in equities, the value of our investment is liable to fluctuations and may rise and fall from time to time. We understand the manner in which the fees will be deducted from our investment. We accept that it is solely our decision to make this investment and that we have chosen the appropriate fund for our circumstances. We understand that Milford has not assessed the suitability of this investment for my/our personal financial situation, financial needs or goals.

SIGNATURE OF DIRECTOR / TRUSTEE 1

DATE

SIGNATURE OF DIRECTOR / TRUSTEE 2

DATE

SIGNATURE OF DIRECTOR / TRUSTEE 3

DATE



## Milford Unit Trust PIE Funds Company / Trust or Entity Application Form (continued)

### Application Form Checklist

#### TRUST OR ESTATE

- Complete personal identification, for all trustees or executors, either electronically or through documentation
- Name of investing entity
- IRD number
- US Citizen/Financial Institution details
- Trust Deed
- Bank Account details and proof of account
- Address verification for all trustees or executors
- As applicable, any Trust Deed, beneficiary or Power of Attorney documentation

#### COMPANY OR OTHER ENTITY

- Complete personal identification, of all company Directors/ Authorised Signatories, either electronically or through documentation
- Name of investing entity
- IRD number
- US Citizen/Financial Institution details
- Certificate of incorporation
- Bank Account details and proof of account
- Proof of address of registered office
- Certificate of incorporation
- Proof of address of registered office
- If applicable, list of Authorised Signatories

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**MILFORD**

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