

# Milford KiwiSaver Plan

## Product Disclosure Statement

Milford Funds Limited - 20 June 2023

This document replaces the Product Disclosure Statement dated 1 April 2022

[milfordasset.com](https://www.milfordasset.com)



**MILFORD**  
INVESTED IN YOU

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.disclose-register.companiesoffice.govt.nz](https://www.disclose-register.companiesoffice.govt.nz). Milford Funds Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial advice provider to help you to make an investment decision.



## 01.

## 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 Product Disclosure Statement ('PDS').

### What will your money be invested in?

The Milford KiwiSaver Plan ('Plan') offers six 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-profiler](http://www.sorted.org.nz/tools/investor-profiler).**

### Who manages the Milford KiwiSaver Plan?

Milford is the Manager of the Plan. See Section 7 "Who is involved" for more information.

### How can you get your money out?

Generally, you can access your KiwiSaver balance when you reach the age of 65.

There are a limited number of other circumstances in which withdrawals may be made (conditions apply) before reaching the age of eligibility for a retirement withdrawal.

These include:

- 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 or law requires 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.

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'). To determine your PIR go to <https://www.ird.govt.nz/pir>. 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/kiwisaver-funds-quarterly-fund-updates](http://www.milfordasset.com/documents/kiwisaver-funds-quarterly-fund-updates). We will also give you copies of those documents on request.

## Key Information Summary

Fund name and Investment Objective	Risk Indicator**	Estimated Annual Fund Charges****
<p><b>Milford KiwiSaver Cash</b> (Cash)</p> <p><i>Objective</i> - Targets a return* above the New Zealand Official Cash Rate.</p> <p><i>Description</i> - Primarily invests in New Zealand cash, short-dated debt securities and term deposits.</p>	<p>Lower risk Higher risk</p> <p>1*** 2 3 4 5 6 7</p> <p>Potentially lower returns Potentially higher returns</p>	0.20%
<p><b>Milford KiwiSaver Conservative</b> (Conservative)</p> <p><i>Objective</i> - Moderate returns* and protect capital over the minimum recommended investment timeframe.</p> <p><i>Description</i> - Diversified fund that primarily invests in fixed interest securities, with a moderate allocation to equities. While conservative in nature, the Fund may experience short term negative returns, particularly in times of heightened volatility.</p>	<p>Lower risk Higher risk</p> <p>1 2 3 4 5 6 7</p> <p>Potentially lower returns Potentially higher returns</p>	0.95%
<p><b>Milford KiwiSaver Moderate</b> (Moderate)</p> <p><i>Objective</i> - Moderate returns and capital growth* over the minimum recommended investment timeframe.</p> <p><i>Description</i> - Diversified fund that primarily invests in fixed interest securities with a significant allocation to equities.</p>	<p>Lower risk Higher risk</p> <p>1 2 3 4*** 5 6 7</p> <p>Potentially lower returns Potentially higher returns</p>	0.96% ^ (includes estimated performance fee)
<p><b>Milford KiwiSaver Balanced</b> (Balanced)</p> <p><i>Objective</i> - Capital growth* over the minimum recommended investment timeframe.</p> <p><i>Description</i> - Diversified fund that primarily invests in equities, with a significant allocation to fixed interest securities.</p>	<p>Lower risk Higher risk</p> <p>1 2 3 4 5 6 7</p> <p>Potentially lower returns Potentially higher returns</p>	1.06% ^ (includes estimated performance fee)
<p><b>Milford KiwiSaver Active Growth</b> (Active Growth)</p> <p><i>Absolute return style fund</i></p> <p><i>Objective</i> - Annual returns of 10%* over the minimum recommended investment timeframe.</p> <p><i>Description</i> - Diversified fund that primarily invests in equities, with a moderate allocation to fixed interest securities.</p>	<p>Lower risk Higher risk</p> <p>1 2 3 4 5 6 7</p> <p>Potentially lower returns Potentially higher returns</p>	1.20% ^ (includes estimated performance fee)
<p><b>Milford KiwiSaver Aggressive</b> (Aggressive)</p> <p><i>Objective</i> - Maximise capital growth* over the minimum recommended investment timeframe.</p> <p><i>Description</i> - Primarily invests in international equities, with a moderate allocation to Australasian equities.</p>	<p>Lower risk Higher risk</p> <p>1 2 3 4 5*** 6 7</p> <p>Potentially lower returns Potentially higher returns</p>	1.15%

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

\*\* See Section 4 “What are the risks of investing?” for an explanation of the risk indicator.

\*\*\* See Section 3 “Description of your investment option(s)” for further information on the calculation of this risk indicator.

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

^ See Section 5 “What are the fees” for more information on fees.

A “swing factor” adjustment to the unit price for applications and withdrawals may also be applied (see “Swing pricing adjustment” in Section 5 and the Member Guide for further information).

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## How does this investment work?

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# 02.

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

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

The Plan helps you save for retirement and provides retirement benefits for Members. The Plan provides six Funds: Cash, Conservative, Moderate, Balanced, Active Growth and Aggressive, 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 government contributions), plus any investment returns on contributions and other money invested.

Your money is pooled with that of other Members of the relevant Fund. The Funds are separately accounted for and 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 increase or decrease 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 taken into account in the investment policies and procedures of the scheme as at the date of this product disclosure statement. You can obtain an explanation of the extent to which responsible investment is taken into account in those policies and procedures at [www.milfordasset.com/new-to-investing/our-investment-approach](http://www.milfordasset.com/new-to-investing/our-investment-approach).

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

### Joining the scheme

You can join the Plan if you are an individual living or normally living in New Zealand (subject to certain exceptions) and you are a New Zealand citizen or entitled to be in New Zealand indefinitely.

# How does this investment work?

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## 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%, 6%, 8% or 10% 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%, 6%, 8% or 10% of your gross salary or wages at any time by notifying your employer. You can also change your contribution rate by notifying Inland Revenue (using your myIR account) or by notifying Milford direct.

You can also make additional regular or lump sum contributions.

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

If you become a member of the Plan as a result of being enrolled via your Employer Chosen Scheme and have not selected a Fund, you will be deemed to have selected Balanced.

In the event of the 'Investment Details' section of the application form being incomplete and we have not been able to contact you to determine which Fund you wish to invest, Milford has the discretion to allocate you to Balanced.

## Government Contributions

The government will contribute (if you are eligible) 50 cents for every dollar you contribute up to a maximum of \$521.43 per year (1 July to 30 June). You are eligible if you are 18 years or over, reside mainly in New Zealand (exceptions apply) and are below your superannuation qualification age (see below). This is paid directly into your KiwiSaver account around July each year.

## 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).

On reaching the New Zealand superannuation qualification age, you can:

- withdraw your full investment, in which case your 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 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.

## Other early withdrawals

You may be eligible to withdraw all or part of your investment early on application to us and provided certain conditions are met. More information, including conditions applying, is available in the Member Guide found at [www.milfordasset.com/forms-documents](http://www.milfordasset.com/forms-documents) or [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz).

A summary of situations where you may be entitled to withdraw follows.

	Member contributions	Employer contributions	Government contributions	Government \$1,000 kick-start contribution <sup>1</sup> (if any)	Australian sourced amounts
Reaching superannuation qualification age	✓	✓	✓	✓	✓
Retirement withdrawal of Australian sourced amounts from age 60 and before superannuation qualification age	X	X	X	X	✓
First home purchase <sup>2</sup>	✓	✓	✓	✓	X
Significant financial hardship	✓	✓	X	X	✓
Serious illness	✓	✓	✓	✓	✓
Life-shortening congenital conditions	✓	✓	✓	✓	✓
Permanent emigration - to Australia <sup>3</sup>	✓	✓	✓	✓	✓
Permanent emigration - other than to Australia <sup>4</sup>	✓	✓	X	✓	X
Foreign superannuation transfers - NZ tax or student loan obligation	✓	✓	X	X	X
Death	✓	✓	✓	✓	✓
As directed by Court Order	✓	✓	✓	✓	✓

### 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.

### 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 online via your client portal or by signing and returning a Switch Form found at [www.milfordasset.com/forms-documents](http://www.milfordasset.com/forms-documents).

### Payment of withdrawals

While it is intended that approved withdrawals (and applications) will be processed at the next available unit price after the withdrawal (or application) process is completed, up to 10 business days' notice of a large withdrawal (or application) may at times be required.


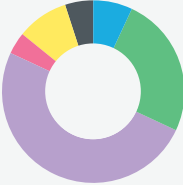
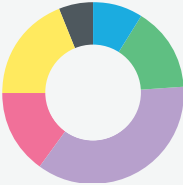
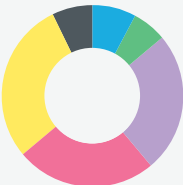
<sup>1</sup> The Government kick-start applies only if you joined a KiwiSaver scheme prior to 21 May 2015.

<sup>2</sup> You must leave at least \$1,000 in your KiwiSaver account and you cannot withdraw any amounts transferred from an Australian complying superannuation fund. You may also be eligible as a 'second chance' home buyer. Please see the Member Guide for more information.

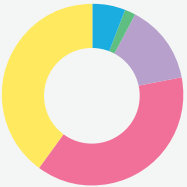
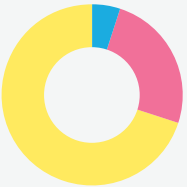
<sup>3</sup> Withdrawals can be used only to transfer your balance (if it is below a maximum amount) to an Australian complying superannuation scheme.

<sup>4</sup> Withdrawals can only be made one year after your permanent emigration.

## Description of your investment option(s)

Fund name, Investment objective and strategy	Target investment mix <sup>^</sup> (see note following table)	Risk Indicator**	Minimum recommended investment timeframe
<p><b>Cash</b></p> <p>Targets a return* above the New Zealand Official Cash Rate.</p> <p>Primarily invests in New Zealand cash, short-dated debt securities and term deposits.</p>	 <ul style="list-style-type: none"> <li><span style="color: blue;">■</span> Cash and Cash Equivalents 20%</li> <li><span style="color: green;">■</span> New Zealand Fixed Interest 80%****</li> </ul> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="background-color: #333; color: white; padding: 5px;">Income 100%</div> <div style="background-color: #333; color: white; padding: 5px;">Growth 0%</div> </div>	<p>Lower risk <span style="float: right;">Higher risk</span></p> <p><b>1***</b> 2 3 4 5 6 7</p> <p>Potentially lower returns <span style="float: right;">Potentially higher returns</span></p>	n/a
<p><b>Conservative</b></p> <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. While conservative in nature, the Fund may experience short term negative returns, particularly in times of heightened volatility.</p>	 <ul style="list-style-type: none"> <li><span style="color: blue;">■</span> Cash and Cash Equivalents 7%</li> <li><span style="color: green;">■</span> New Zealand Fixed Interest 25%</li> <li><span style="color: purple;">■</span> International Fixed Interest 50%</li> <li><span style="color: red;">■</span> Australasian Equities 4%</li> <li><span style="color: yellow;">■</span> International Equities 9%</li> <li><span style="color: black;">■</span> Listed Property 5%</li> </ul> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="background-color: #333; color: white; padding: 5px;">Income 82%</div> <div style="background-color: #333; color: white; padding: 5px;">Growth 18%</div> </div>	<p>Lower risk <span style="float: right;">Higher risk</span></p> <p>1 2 <b>3</b> 4 5 6 7</p> <p>Potentially lower returns <span style="float: right;">Potentially higher returns</span></p>	3 years
<p><b>Moderate</b></p> <p>To provide moderate returns and capital growth* over the minimum recommended investment timeframe.</p> <p>A diversified fund that primarily invests in fixed interest securities with a significant allocation to equities.</p>	 <ul style="list-style-type: none"> <li><span style="color: blue;">■</span> Cash and Cash Equivalents 9%</li> <li><span style="color: green;">■</span> New Zealand Fixed Interest 15%</li> <li><span style="color: purple;">■</span> International Fixed Interest 36%</li> <li><span style="color: red;">■</span> Australasian Equities 15%</li> <li><span style="color: yellow;">■</span> International Equities 19%</li> <li><span style="color: black;">■</span> Listed Property 6%</li> </ul> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="background-color: #333; color: white; padding: 5px;">Income 60%</div> <div style="background-color: #333; color: white; padding: 5px;">Growth 40%</div> </div>	<p>Lower risk <span style="float: right;">Higher risk</span></p> <p>1 2 3 <b>4***</b> 5 6 7</p> <p>Potentially lower returns <span style="float: right;">Potentially higher returns</span></p>	4 years
<p><b>Balanced</b></p> <p>To provide capital growth* over the minimum recommended investment 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><span style="color: blue;">■</span> Cash and Cash Equivalents 8%</li> <li><span style="color: green;">■</span> New Zealand Fixed Interest 6%</li> <li><span style="color: purple;">■</span> International Fixed Interest 25%</li> <li><span style="color: red;">■</span> Australasian Equities 24%</li> <li><span style="color: yellow;">■</span> International Equities 30%</li> <li><span style="color: black;">■</span> Listed Property 7%</li> </ul> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="background-color: #333; color: white; padding: 5px;">Income 39%</div> <div style="background-color: #333; color: white; padding: 5px;">Growth 61%</div> </div>	<p>Lower risk <span style="float: right;">Higher risk</span></p> <p>1 2 3 <b>4</b> 5 6 7</p> <p>Potentially lower returns <span style="float: right;">Potentially higher returns</span></p>	5 years



Fund name, Investment objective and strategy	Target investment mix <sup>^</sup> (see note following table)	Risk Indicator <sup>**</sup>	Minimum recommended investment timeframe
<p><b>Active Growth</b></p> <p><i>Absolute return style fund</i> <sup>^^</sup></p> <p>To provide annual returns of 10%* over the minimum recommended investment timeframe.</p> <p>A diversified fund that primarily invests in equities, with a moderate allocation to fixed interest securities.</p>	 <ul style="list-style-type: none"> <li><span style="color: blue;">■</span> Cash and Cash Equivalents 6%</li> <li><span style="color: green;">■</span> New Zealand Fixed Interest 2%</li> <li><span style="color: purple;">■</span> International Fixed Interest 14%</li> <li><span style="color: pink;">■</span> Australasian Equities 34%</li> <li><span style="color: yellow;">■</span> International Equities 44%</li> </ul> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="background-color: #333; color: white; padding: 5px;">Income 22%</div> <div style="background-color: #666; color: white; padding: 5px;">Growth 78%</div> </div>	<p>Lower risk <span style="float: right;">Higher risk</span></p> <p style="text-align: center;">1 2 3 4 <b>5</b> 6 7</p> <p>Potentially lower returns <span style="float: right;">Potentially higher returns</span></p>	7 years
<p><b>Aggressive</b></p> <p>To maximise capital growth* over the minimum recommended investment timeframe.</p> <p>Primarily invests in international equities, with a moderate allocation to Australasian equities.</p>	 <ul style="list-style-type: none"> <li><span style="color: blue;">■</span> Cash and Cash Equivalents 5%</li> <li><span style="color: pink;">■</span> Australasian Equities 25%</li> <li><span style="color: yellow;">■</span> International Equities 70%</li> </ul> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="background-color: #333; color: white; padding: 5px;">Income 5%</div> <div style="background-color: #666; color: white; padding: 5px;">Growth 95%</div> </div>	<p>Lower risk <span style="float: right;">Higher risk</span></p> <p style="text-align: center;">1 2 3 4 <b>5***</b> 6 7</p> <p>Potentially lower returns <span style="float: right;">Potentially higher returns</span></p>	10 years

<sup>^</sup> 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.

<sup>^^</sup> Absolute return funds target positive market returns as well as managing downside risk in falling markets.

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

\*\* See Section 4 “What are the risks of investing?” for an explanation of the risk indicator.

\*\*\* To calculate the risk indicator for Cash, Moderate and Aggressive we have used a mix of actual returns and market index returns to provide completed 5 year returns as the Funds were launched within the last 5 years. This means that the risk indicators for Cash, Moderate and Aggressive do not reflect the actual returns for the periods specified in the table below and may provide a less reliable indicator of the potential future volatility of the Funds.

\*\*\*\* The Cash Fund’s fixed interest allocation will be invested in commercial paper and term deposits.

We regularly review our Statement of Investment Policy 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/forms-documents](http://www.milfordasset.com/forms-documents) or at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz).

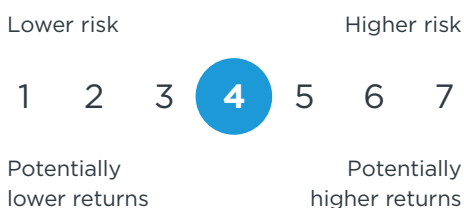
Further information about the assets in the Funds can be found in the Fund Updates at [www.milfordasset.com/documents/kiwisaver-funds-quarterly-fund-updates](http://www.milfordasset.com/documents/kiwisaver-funds-quarterly-fund-updates) or at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz).

Fund	Period of market index returns used
Cash	01/04/2018 to 26/03/2020
Moderate	01/04/2018 to 26/03/2020
Aggressive	01/04/2018 to 31/07/2019

## 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/tools/investor-kickstarter](http://www.sorted.org.nz/tools/investor-kickstarter).

Note that even the lowest category does not mean a risk-free investment, and there may be other risks that are not captured by this rating.

This risk indicator is not a guarantee of a Fund’s future performance. The risk indicator is based on the returns data for the five years to 31 March 2023. While risk indicators are usually relatively stable, they do shift from time to time. You can see the most recent risk indicator in the latest Fund Update for 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

Past performance is no guarantee of future performance. There is a risk that a Fund may underperform compared with its investment objective or with the market.

#### Market risk

A Fund’s returns will be affected by the performance of the investments chosen for that Fund which may in turn, be affected by the performance of investment markets generally. This risk includes demand and supply in the market and economic and regulatory conditions, including market sentiment, inflation, interest rates, employment, political events, environmental (including climate change) and technological issues, and consumer demands.

#### Interest rate risk

The market value of the investments of a Fund can change due to changes in interest rates. The market value of fixed interest securities can fluctuate significantly with relatively small changes in interest rates.

**Credit risk**

The value of debt securities may be impacted by the issuer's ability to pay interest and principal owed when due. If the issuer's ability to meet its payment obligations is doubted, the value of the debt security may decrease.

**Equity risk**

An investment may be affected by unexpected changes in that company's operations or business environment, including risk of insolvency. If this occurs, the Fund may receive a smaller or no return from, or it may lose, its investment.

**Liquidity risk**

Some investments including investments in other Milford Funds 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, fund outflows, or market disruptions. Securities of small entities in particular may become less liquid. Milford may hold unlisted securities that are less liquid than listed securities.

**Currency risk**

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

More detail on these risks and other general risks is included in the Plan's Other Material Information document available at [www.milfordasset.com/forms-documents](http://www.milfordasset.com/forms-documents) or [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz).

## 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

Fund	Estimated annual fund charges			Other Charges
	Base fund fee	Performance-based fees*	Total	
Cash	0.20%	N/A	0.20%	Financial adviser fees (if applicable)^
Conservative	0.95%	N/A	0.95%	
Moderate	0.95%	0.01%	0.96%	
Balanced	1.05%	0.01%	1.06%	
Active Growth	1.05%	0.15%	1.20%	
Aggressive**	1.15%	N/A	1.15%	

\* To estimate the annual performance fee charges, we have simulated the performance of the Fund using its assumed risk and return profile, against its stated performance benchmark over a 20-year time horizon.

\*\* The Aggressive Fund may invest in related Milford Private Equity Funds that provide a designated profit share to a related Milford entity. As at the date of this document, this amount is deemed immaterial.

^ See below for description of financial adviser fees.

Historical average performance fees for the latest 5 completed performance years since each Fund's inception (or, since inception for funds with less than a 5-year performance history)#:

Fund	Historical average performance-based fees
Moderate	0.07%
Balanced	0.18%
Active Growth	0.19%

# The historical average performance-based fees (where relevant) are provided for informational purposes only and may not reflect the performance fees that will be charged by the funds in the future.

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

Annual fund charges are made up of:

- a base fund fee
- any applicable estimated performance fees.

Total annual fund charges are set out as a percentage of the Fund's net asset value. Actual fund charges over the past disclosure year are available in the latest Fund Updates.

The base fund 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; and
- estimated underlying external fund charges, where applicable.

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.

Other fees can be charged on an individual basis for investor specific decisions or actions, such as entry or exit fees or financial adviser 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 is taken into account in setting the unit price payable on application or withdrawal (see "Swing pricing adjustment" below).

Your financial adviser can charge certain financial adviser fees if they have an agreement in place with us and you have authorised the fee to be deducted from your account balance and paid to them. Financial Adviser fees (if applicable) are paid monthly. Further information about financial adviser fees including applicable charges and when they are payable can be found at: [www.milfordasset.com/forms-documents](http://www.milfordasset.com/forms-documents).

## Performance fees

A performance fee (capped at 0.95% of the Fund's average net asset value) is charged for Active Growth.

Moderate and Balanced do not directly charge performance fees, but they may invest directly or indirectly in related Milford funds (including Australian Absolute Growth) that have performance fees.

Performance fees are payable (to us), as a percentage of the excess return above the hurdle rate of return (after deduction of the base fund fee but before tax and the performance fee), assuming we have exceeded the high water mark. The hurdle rate of return is measured across twelve-month review periods to 31 March and is the minimum return the Fund must achieve before being able to charge a performance fee. The fees applying and each Fund's hurdle rate and high water mark are shown in the table below.

For absolute return style funds you may be paying a performance fee if the Fund's performance beats the hurdle rate of return but does not beat the performance of the blend of market indices applying to the Fund\*.

For a performance fee to be payable, the net asset value per unit of the Fund (before tax and distributions) must exceed the last applicable high water mark.

## What are the fees?

		Performance Fee amount (as a percentage of the excess return)	Performance Fee cap	Hurdle Rate of Return*	High Water Mark
Absolute Return Funds	Active Growth	15%	0.95% of average NAV	10%	The Fund's previous highest ever net asset value per unit achieved on the performance payment review date.
	Australian Absolute Growth <i>(Not available for direct investment)</i>	15%	0.95% of average NAV	OCR plus 5%	Being an absolute return style fund, only absolute performance losses relative to the high water mark are carried forward into the next performance period.

Performance payment review date (how often the performance fee may be paid)	The 12 month period is to 31 March annually. The payment will be made within 10 business days and a new performance period will start.
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\* 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.

## Swing pricing adjustment

Investors in a Fund can suffer dilution in value of their unitholding as a result of transaction costs brought about by other investors buying or selling units in the Fund. This reduction in value is due to the costs incurred when trading the Fund's underlying assets. In order to mitigate this effect and to protect unitholders' interests, we adopt a swing pricing mechanism as part of our unit valuation process. We calculate a swing factor adjustment for each Fund that, subject to a threshold being met, is applied daily when setting the price for applications and withdrawals.

The swing factor adjustment is not a fee. It is retained in the Fund to offset against the estimated transaction costs that arise from investors' applications and withdrawals. The amount of the adjustment may vary between Funds and is reviewed by us periodically in line with current market trading costs. Swing factor adjustments may change, particularly in times of heightened market volatility. Please note that the adjustment may not entirely cover transaction costs in all circumstances.

For each fund's current swing factor adjustment, please see [www.milfordasset.com/forms-documents](http://www.milfordasset.com/forms-documents).

For further information please refer to the "Member Guide" for the Plan which can be found at [www.milfordasset.com/forms-documents](http://www.milfordasset.com/forms-documents) or [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz).

## Example of how fees apply to an investor

Alex, aged 35, invests \$10,000 in Balanced. He is not charged an establishment fee or a contribution fee, because there are currently none. A swing factor adjustment of 0.12%\* is applied to the unit price he pays for his investment. This equates to \$12 and is paid into the Fund, not to us.

This brings the starting value of his investment to approximately \$9,988.

He is also charged management and administration fees (base fund fee), which work out to about \$105 (1.05% of \$9,988). 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 next year, Alex pays no other charges.

\* For this example, an assumption has been made that there has been a net daily inflow to Balanced prompting a swing factor adjustment and the unit price has therefore swung up. For each Fund's current swing factor adjustment, please see [milfordasset.com/forms-documents](http://milfordasset.com/forms-documents).

### Estimated total fees for the first year

Fund	Fund charges	Other Charges
Balanced	\$105	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 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 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/kiwisaver-funds-quarterly-fund-updates](http://www.milfordasset.com/documents/kiwisaver-funds-quarterly-fund-updates) or at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz).

# 06.

## What taxes will you pay?

The Plan is a Portfolio Investment Entity ('PIE'). The amount of tax you pay is based on your prescribed investor rate ('PIR'). To determine your PIR go to <https://www.ird.govt.nz/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 rate applied to your PIE income is lower than your correct PIR you will be required to pay any tax shortfall as part of the income tax year-end process. If the rate applied to your PIE income is higher than your PIR any tax over-withheld will be used to reduce any income tax liability you may have for the tax year and any remaining amount will be refunded to you.

You must provide us with your IRD number when you invest. In most instances, failure to do so within six weeks means we will need to close your account. 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.

We may be notified by Inland Revenue to update your PIR if they believe it is incorrect. We are required to apply this updated PIR. However, you can provide us with a different PIR if you believe that the Inland Revenue notified PIR is incorrect. Contact Inland Revenue for more information.

Please see the Member Guide at [www.milfordasset.com/forms-documents](http://www.milfordasset.com/forms-documents) or [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz) for further information on tax.

# 07.

## Who is involved?

### About Milford

Milford is a wholly owned subsidiary of Milford Asset Management Limited.

### Milford can be contacted at:

Milford Funds Limited  
 Level 28, 48 Shortland Street  
 PO Box 960, Shortland Street  
 Auckland 1140  
 Telephone: 09 921 4700 or 0800 662 346  
 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 (to be replaced by HSBC Bank Australia Limited by the end of 2023)	Holds the assets of the Funds separate to us, and on behalf of the Supervisor.
Administration manager	Apex Investment Administration (NZ) Limited	Performs unit pricing, fund accounting and registry functions.



## How to complain

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In the first instance, please direct any complaints to:

Milford Funds Limited  
Level 28, 48 Shortland Street  
PO Box 960, Shortland Street  
Auckland 1140  
Telephone: 09 921 4700 or 0800 662 346  
Email: [feedback@milfordasset.com](mailto:feedback@milfordasset.com)

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

Trustees Executors Limited  
Level 11, 51 Shortland Street  
PO Box 4197, Shortland Street  
Auckland 1010  
Attn: The Manager  
Telephone: 0800 878 783  
Email: [complaints@trustees.co.nz](mailto:complaints@trustees.co.nz)

Milford and the Supervisor are both members of an independent dispute resolution scheme operated by Financial Services Complaints Limited ('FSCL'). If we haven't been able to resolve your complaint in a way that you think is satisfactory within 40 business days, you can contact FSCL at:

Financial Services Complaints Limited  
Level 4, 101 Lambton Quay  
PO Box 5967, Wellington 6140  
Telephone: 0800 347 257  
Email: [complaints@fscl.org.nz](mailto:complaints@fscl.org.nz)

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

## Where you can find more information

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09.

Further information relating to the Plan, including financial statements, is available on the Disclose Register at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz).

Copies of information on the Disclose Register are also available on request from the Registrar of Financial Service Providers.

Fund Updates relating to each of the Funds and other information is available at [www.milfordasset.com](http://www.milfordasset.com).

Milford also publishes monthly information for each Fund, which can be found at [www.milfordasset.com/forms-documents/fund-reports](http://www.milfordasset.com/forms-documents/fund-reports) or by telephoning 0800 662 346.

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

## How to apply

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10.

The easiest way to apply is online at [www.milfordasset.com/invest-now](http://www.milfordasset.com/invest-now)

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.

ADVISER CODE (if applicable)



# Milford KiwiSaver Plan Application / Transfer Form

The easiest way to apply is online at [milfordasset.com/invest-now](http://milfordasset.com/invest-now)

If you have agreed to use **Electronic Identity Verification**, then you may scan and email your application to:  
**transactions@milfordasset.com**

If you are sending **certified copies of documents**, please post to:  
**Milford KiwiSaver Plan, PO Box 960, Shortland Street, Auckland 1140**

KiwiSaver members must be a NZ citizen or resident. For applications on behalf of a minor, contact us for the correct form.

## Investor Details

FIRST NAME	MIDDLE NAME(S)	SURNAME
<input type="text"/>	<input type="text"/>	<input type="text"/>

PREFERRED NAME	TITLE	DATE OF BIRTH
<input type="text"/>	<input type="text"/>	<input type="text"/> / <input type="text"/> / <input type="text"/>

EMAIL ADDRESS (required for access to online client portal)	MOBILE PHONE NUMBER	HOME PHONE NUMBER
<input type="text"/>	<input type="text"/>	<input type="text"/>

PHYSICAL ADDRESS (cannot be a PO Box)	SUBURB
<input type="text"/>	<input type="text"/>

CITY	COUNTRY	POSTCODE
<input type="text"/>	<input type="text"/>	<input type="text"/>

POSTAL ADDRESS (if different from physical address)	SUBURB
<input type="text"/>	<input type="text"/>

CITY	COUNTRY	POSTCODE
<input type="text"/>	<input type="text"/>	<input type="text"/>

IRD NUMBER\*

\*If no IRD number has been received within six weeks of joining the Milford KiwiSaver Plan, we are required to exit you from the Milford KiwiSaver Plan.

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

You can find out more about PIRs at [www.ird.govt.nz/pir](http://www.ird.govt.nz/pir). If you are unsure of your PIR, we recommend you seek professional advice or contact Inland Revenue. **If a PIR is not selected a 28% PIR will apply.**

10.5%    17.5%    28%

**How did you hear about Milford?** (Please select as many that apply).

TV/video advertising  
 Newspaper/magazine advertising  
 Online advertising  
 Online search  
 Radio  
 Social media  
 Referral

Other \_\_\_\_\_

# Milford KiwiSaver Plan Application / Transfer Form (continued)

## Investment Details

The Milford KiwiSaver Plan offers the option of investing your contributions in any of the below Funds or splitting your contributions across multiple 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 enter 100 in that box.

Cash Fund  %    Conservative Fund  %    Moderate Fund  %  
Balanced Fund  %    Active Growth Fund  %    Aggressive Fund  %

**Note:** In the event of an error in completing this part of the form, Milford has the discretion to allocate you into the Milford Balanced Fund.

## Primary Purpose of Investment\* (required for applicants aged 65 and over only)

Please tell us the primary reason you are investing these funds with us.

Retirement     Income     Investment     Other (please specify)

How do you intend to transact on this account?

**Deposits** (please select at least one)

Regular     Now and then     Lump sum (one-off)

**Withdrawals** (please select at least one)

Regular     Now and then     Lump sum (one-off)

\*Please note this information is requested solely in relation to Milford's Anti-Money Laundering and Countering Financing of Terrorism Act 2009 obligations and is not used to assess the suitability of your product selection, or to provide financial advice.

## Investor Identification

We have two options for clients to confirm their identity. Please select **one** of the options below.

### Option 1: Electronic Identity Verification and Proof of Address

Milford can confirm the identity and/or New Zealand address of many of our clients electronically, with their permission. Please note that we use a third party system not owned by Milford to conduct identity checks in this way.

I confirm that I give Milford authority to check my identity and/or address electronically using the documentation provided. **I have included a copy of my current signed NZ Passport (preferred) or NZ Driver Licence (front & back).**

### Option 2: Certified Copies of Identity Documents

You can provide certified photocopies of your documents (we need the physical copy that has been certified).

I will provide certified identification documents. **For further detail on document requirements, including who can certify them and correct certification wording, see page 3.**

## Investor Identification Requirements

If you have opted not to use Electronic Identity Verification or did not pass this system check then you will need to provide the following documentation: **Please provide a certified photocopy of each document:**

- The documents can be verified by a Milford employee or certified by a Trusted Referee as described below.
- Any certified documents cannot be scanned to us (we need the copy that has been physically certified)
- Please do not send in original versions of your identity documents.

### 1. CERTIFIED COPY OF IDENTIFICATION

#### Option 1

One of the following:

- Current signed New Zealand Passport (preferred)
- New Zealand Firearms Licence
- Overseas Passport with proof of NZ residency

**OR**

#### Option 2

New Zealand Driver Licence (front and back)

In combination with one of the following:

- Bank statement dated within the last 12 months
- Valid credit or debit card with name embossed and signature
- Birth certificate
- Citizenship certificate
- Government agency letter (IRD, Work & Income, Electoral Commission) dated within the last 12 months
- SuperGold card with photo, name and signature

### 2. PROOF OF ADDRESS

Must state name and physical address, cannot be a PO Box address.

One of the following documents that has been issued in the last 12 months:

- Bank statement (we accept downloaded bank statements)
- Current house or contents insurance policy or renewal statement
- Current vehicle registration
- Government agency letter (IRD, Work & Income, Electoral Commission)
- Utility bill (power, water, internet, fixed home phone, SKY)
- Rates bill
- Tenancy agreement
- Letter issued by local Health Board

### ACCEPTED TRUSTED REFEREES

Originals can be verified by a Milford employee **OR** certified by a Trusted Referee in accordance with the instructions outlined below. Certified copies of identification must be presented to Milford within three months of certification.

Identification must be certified by one of the following:

- Lawyer with a current practising certificate
- Chartered Accountant
- Member of the Police
- Justice of the Peace
- Registered Medical Doctor
- Registered Teacher
- New Zealand Honorary Consul
- Notary Public
- A person who has the legal authority to take statutory declarations or the equivalent in New Zealand
- If outside New Zealand, a person authorised by law to take a statutory declaration (or equivalent) in that country

The certifier must:

- For photographic ID, make the statement **“I certify this to be a true copy of the original which I have sighted and represents a true and correct likeness of [name of the person presenting the documentation for certification].”**
- For certification of other documents, make the statement **“I certify this to be a true copy of the original which I have sighted.”**
- Include their **name, occupation and capacity to be a certifier** e.g. registration number (if applicable), **signature and date** of certification.
- Not be living at the same address, a relative or spouse of the individual presenting the documents.

## Your Agreement

### Privacy Statement

- The personal information you provide in this Application Form (and identity information collected in connection with this Application Form), or in the future, will be collected and held by Milford Funds Limited (“Milford”) for purposes relating to the administration, marketing, operation, security and management of the Funds, the provision of services to you, and compliance with any laws, rules and regulations whether in New Zealand or in any other country. Milford will do this in accordance with all applicable New Zealand privacy laws and our Privacy Policy which can be accessed on our website at [milfordasset.com/privacy-policy](http://milfordasset.com/privacy-policy). Your personal information may be disclosed to, and held and used by, the following persons:
  - The Supervisor of the Funds
  - Milford Asset Management Limited or any of its subsidiaries or related companies (together, the “Milford Group”)
  - Inland Revenue
  - Financial Markets Authority
  - Any third party, whether in New Zealand or elsewhere, that provides services to the Milford Group. In particular, if you have opted for electronic identity verification, the information will be shared with external agencies who may use a credit file header database to verify your address (note, this is not a credit check)
  - Your own financial adviser (and their staff), this only applies if you have notified us of this relationship (you are responsible for advising us if and when this relationship ends)
  - Any other person or entity where it is relevant to do so for the purposes set out above.We can also release personal information to third parties as instructed by you and in other ways permitted by the Privacy Act.
- Your personal information may also be used by, and you consent to the use of your personal information by, Milford or any other member of the Milford Group to keep you informed about other financial opportunities, products and services of any Milford Group member, including by email, by text message, by Milford Group’s online portal or by any other electronic means. Any electronic communication offering other financial opportunities, products or services will include an unsubscribe facility.
- You have the right to access and request correction to the personal information you have supplied, by contacting Milford on 0800 662 346 or by emailing us at [info@milfordasset.com](mailto:info@milfordasset.com). Any update to your personal information may be used to update other information held about you by any member of the Milford Group.

### Electronic provision of information

- I consent to receiving any communication from the Supervisor or any member of the Milford Group electronically via Milford Group’s online portal, or at the email address specified in this Application Form, or any other email address advised to any Milford Group entity from time to time. These communications include those required by law and those provided in connection with your Fund, including annual reports and annual tax certificates.

### Declaration

- I have received and read a copy of the Product Disclosure Statement dated 20 June 2023 (“PDS”), and understand that additional information about the Funds is available on the Funds’ online register entry.
- I agree to be bound by the terms and conditions of the PDS and the Trust Deed.
- 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 accept that it is solely my decision to make this investment and that I have chosen the appropriate Fund for my risk tolerance and circumstances.
- I understand that Milford has not assessed the suitability of this investment for my personal financial situation, financial needs or goals.
- I understand the manner in which the fees will be deducted from my investment.
- I acknowledge that I will be unable to make any withdrawal from the Funds until Milford has received my signed withdrawal request and any supporting or identification information required.
- All the information I have provided in this Application Form is to the best of my knowledge and belief, correct and complete. I undertake to notify Milford of any change which causes the information to become incorrect or incomplete.
- I will immediately advise Milford about any changes to my personal details (including my residential or email address, telephone number, legal status or capacity).
- I acknowledge and agree to the terms of the Privacy Statement and electronic provision of information above.

### For KiwiSaver transfers only:

- I apply to transfer my KiwiSaver account to the Milford KiwiSaver Plan.
- I authorise the manager or the Supervisor of the transferring scheme to provide to Milford or the Supervisor of the Milford KiwiSaver Plan any of my personal information as necessary to complete the transfer of my benefits to the Milford KiwiSaver Plan.

If you wish to transfer a non-KiwiSaver superannuation to your KiwiSaver account, please contact Milford directly.

SIGNATURE OF APPLICANT

DATE

Please note we cannot accept electronic signatures.















**MILFORD**

Level 28, 48 Shortland Street, Auckland  
PO Box 960, Shortland Street, Auckland 1140  
Free phone **0800 662 346**  
[milfordasset.com](http://milfordasset.com)