

**AMANAH
ETHICAL**



AMANAH**NZ**

**OTHER
MATERIAL
INFORMATION**

**ISSUED BY AMANAH TRUST
MANAGEMENT (NZ) LIMITED**

13 DECEMBER 2019

This document gives you important information about this investment to help you decide whether you want to invest. There is other useful information about this offer on www.business.govt.nz/disclose. Amanah Trust Management (NZ) Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial adviser to help you to make an investment decision.

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1. GENERAL

This document provides material information about AmanahNZ to help you make an important decision about investing in AmanahNZ. It is an important document and it supports the Product Disclosure Statement ('PDS') and Statement of Investment Policy and Objectives ('SIPO'), which can be found on the Disclose Register (www.business.govt.nz/disclose) and on our website (www.amanahnz.com).

This document has been prepared to meet the requirements of section 57(1)(b)(ii) of the Financial Markets Conduct Act 2013 ('FMC Act') and clause 52 of Schedule 4 of the Financial Markets Conduct Regulations 2014 ('FMC Regulations'). All legislation referred to in this document can be viewed at www.legislation.govt.nz.

DEFINED TERMS

In this document:

- the words 'you' or 'your' refer to you and other persons who invest in AmanahNZ, as the context requires;
- the words 'Amanah Trust Management', 'Manager', 'we', 'us' or 'our' refer, unless the context requires otherwise, to Amanah Trust Management (NZ) Limited; and
- where words are defined in the Glossary on page 17, those words have the same meaning wherever they are used in this document.

2. DETAILS OF THE SCHEME

AmanahNZ is a registered managed investment scheme under the FMC Act and is governed by a trust deed dated 9 November 2016.

The Manager of AmanahNZ is Amanah Trust Management (NZ) Limited. We are supervised in this role by a licensed supervisor, Trustees Executors Limited ('Supervisor'). The terms of agreement in operating AmanahNZ are outlined in a trust deed between us, as the Manager, and the Supervisor. The Supervisor is responsible for ensuring that AmanahNZ's assets are held in accordance with Relevant Law. TEA Custodians (AmanahNZ) Limited, a custodial company of the Supervisor, holds all Assets in its name.

The objective of AmanahNZ is to increase the annual return to investors over the long-term, while complying with the restrictions of AmanahNZ's Ethical Mandate.

HOW DOES IT WORK?

The money you invest into AmanahNZ buys you Units in AmanahNZ. Each Unit that you own is a share in the total value of what AmanahNZ is worth. As the value of AmanahNZ's assets go up and down so too does the value of your Units. Each Unit has an equal interest in a fund as all the other Units and the same unit price.

Each Unit has an equal interest in all assets of AmanahNZ and not in any particular asset. This means you are not able to request that we transfer to you an asset of AmanahNZ.

AmanahNZ may issue more Units as investors invest money into AmanahNZ and redeem Units as investors withdraw money from AmanahNZ. There is no maximum to the number of units in AmanahNZ.

Unit prices are calculated each valuation day (business day) and rounded to four decimal places. The unit price equates to the Net Asset Value ('NAV') of AmanahNZ at that time divided by the number of units that have been issued by AmanahNZ.

ETHICAL MANDATE

Amanah Ethical Islamic Advisory Board

The Amanah Ethical Islamic Advisory Board is responsible for reviewing the Ethical Mandate compliance of AmanahNZ and its investments. The Islamic Advisory Board reviews compliance with the Ethical Mandate but does not undertake investment selection.

The current members of the Amanah Ethical Islamic Advisory Board are:

- Sheikh Mohammad Amir
- Dr Ahmed Rufai
- Prof Faruk Balli

Further information, including biographies of the members are available on our website (www.amanahnz.com).

Purification

The Manger monitors the compliance of the investments on a daily basis with the assistance of IdealRatings to ensure they remain compliant. If an investment breaches the Ethical Mandate it is sold at the first reasonable opportunity. This Ethical Mandate ensures compliance with the AAOIFI standards.

Where investments unwittingly breach the strict Ethical Mandate, the Manager, under the AAOIFI standards, may make a payment to a recognised charity of the sum that infringed the Ethical Mandate in order to purify the breach.

3. WHO IS INVOLVED?

MANAGER

The Manager of AmanahNZ is Amanah Trust Management (NZ) Limited (Company number: 4570259).

We hold a licence to act as a Manager of a managed investment scheme under the FMC Act. A copy of the licence, and its conditions, is available on the FMA's website.

As Manager of AmanahNZ, our duties include:

- Offering and issuing Units;
- Managing AmanahNZ and its investments; and
- Responsibility for administering AmanahNZ.

As Manager, we are able to delegate duties to other parties, but this does not limit our responsibility for the performance of these duties.

You can contact us using the following details:

Amanah Trust Management (NZ) Limited

2/6 Jutland Road

PO Box 4070

Takapuna

Shortland Street

Auckland 0622

Auckland 1140

As at the date of this document, the Directors of the Manager (who may be contacted at the address of the Manager) are:

Gregory Fortuin

Gregory is the Chairman of Amanah Trust Management (NZ) Limited and AmanahNZ KiwiSaver Limited and has considerable business experience both in New Zealand and Internationally. Gregory is currently a Strategic Community Advisor to the NZ Police Commissioner (since 2004) and is the National Director of the Salvation Army's Education and Employment division (since 2013). Gregory served as director on the boards of NZ Post, Kiwibank, Transpower and the Accident Compensation Corporation where he chaired the Investment Committee. Gregory is the former Race Relations Commissioner of New Zealand (2001-2002) and was the first resident representative of the new South Africa in New Zealand, when appointed Honorary Consul by Nelson Mandela in 1998. He came to New Zealand in 1991 as Managing Director, National Mutual Corporate Superannuation Services and is also heavily involved in community issues across New Zealand.

Associate Professor Dr Faruk Balli

Dr. Balli is a Director of Amanah Trust Management (NZ) Limited and AmanahNZ KiwiSaver Limited. He is an Associate Professor at Massey University School of Economics and Finance and an adjunct Professor at Gediz University Turkey. Previously he worked as a Senior Economist at the Central Bank of Qatar and at Dubai University as an Assistant Professor. He has more than 30 publications in high ranked international journals and has served on the editorial board of various field journals, including the International Journal of Islamic and Middle Eastern Finance and Management Journal. Dr. Balli has a PhD from the University of Houston.

Brian Henry

Brian is the Managing Director of Amanah Trust Management (NZ) Limited and AmanahNZ KiwiSaver Limited and is responsible for all underlying asset management, legal compliance and the corporate structuring of funds. He has been in the fund management business for over 15 years and was formerly the Managing Director of US50 Fund Limited. Brian has worked as a Barrister since 1975 and has extensive commercial litigation experience.

Jay Barrymore

Jay Barrymore is a Director of Amanah Trust Management (NZ) Limited and AmanahNZ KiwiSaver Limited. He is a CFA® charterholder and has worked as an investor in both public and private equity for the last 14 years.

In particular, Jay has a depth of experience in impact investing – where investments not only meet a portfolio's required risk and return but also create a measurable social or environmental impact.

Jay graduated with a BA from University College London (UCL) and is a Trustee of The Historic England Foundation.

SUPERVISOR

The Supervisor of AmanahNZ is Trustees Executors Limited. The contact details for the Supervisor and its Directors are:

Trustees Executors Limited

Physical Address:	Postal Address:
Level 7	PO Box 4197
51 Shortland Street	Shortland Street
Auckland 1010	Auckland 1140

Trustees Executors Limited was incorporated in New Zealand in 1881 under the Joint Stock Companies Act 1860. The Supervisor's majority shareholder is Sterling Grace (NZ) Limited, incorporated in New Zealand on 30 July 2003.

The Supervisor has been granted a full licence under the Financial Markets Supervisors Act 2011 to act as a managed investment scheme supervisor. The licence expires on 16 January 2023 and is subject to reporting conditions. Further information on the Supervisor's licence is publicly available on the Financial Markets Authority website (www.fma.govt.nz) under "Compliance – Licensed Providers, Supervisors"

The current list of Directors of the Supervisor may be obtained from the Companies Office website at www.business.govt.nz/companies.

Independence of Supervisor and any Custodians

The Supervisor and Custodian are independent of the Manager and its employees.

CUSTODIAN

The Custodian for AmanahNZ is Trustees Executors Limited. The assets of AmanahNZ are held by the Custodian's Nominee, TEA Custodians (AmanahNZ) Limited, a wholly owned subsidiary of the Supervisor. The contact details for the Custodian's Nominee are:

TEA Custodians (AmanahNZ) Limited

Physical Address:	Postal Address:
Level 7	PO Box 4197
51 Shortland Street	Shortland Street
Auckland 1010	Auckland 1140

ADMINISTRATION AND INVESTMENT MANAGEMENT

Administrative functions, including the operation of the unit registry, daily administration of member accounts and unit pricing are outsourced to Appello Services Limited ('ASL'). The contact address for ASL is:

Appello Services Limited
Level 2
75 Queen Street
Auckland 1010

Investment management is outsourced to Amanah Trust Management (NZ) Limited, the Manager of AmanahNZ, a registered managed investment scheme. Amanah Growth Fund's primary investment is units in AmanahNZ. The contact address for Amanah Trust Management (NZ) Limited is:

Amanah Trust Management (NZ) Limited
PO Box 4070, Shortland Street
Auckland 1140

AUDITOR

The Auditor of AmanahNZ is William Buck. The Auditor holds the required licenses under the Auditor Regulation Act 2011. The contact address for the Auditor is:

William Buck
Level 4
21 Queen Street
Auckland 1010

SOLICITORS AND LEGAL ADVISERS

The legal adviser for the Manager is Brian Henry - Barrister (Auckland). The Solicitors to the Supervisor are DLA Piper New Zealand.

4. APPLICATIONS

AmanahNZ is a US dollar denominated managed investment scheme. AmanahNZ has the facility to accept applications for investment monies in NZ dollars and US dollars.

Investment monies received in NZ dollars will be converted to US dollars (at the conversion rate applicable at the time) and deposited in AmanahNZ's US dollar account. Units are issued based on US dollars received into the US dollar account. Where investment monies are deposited in NZ dollars, the Manager has the discretion to delay conversion to US dollars (and therefore issuing of Units) in order to pool investment monies for currency transactions.

Applications to invest may be made by completing an application form (contained in the PDS), providing the supporting documents and sending these to the Manager. You can purchase Units at any time. There is no minimum or maximum investment amount.

Investment monies can be deposited in NZ dollars or US dollars as follows:

In NZ dollars

Account name: TEA Custodians (AmanahNZ) Limited
Account number: 12-3198-0066681-00
Bank: ASB Bank, 12 Jellicoe Street, Auckland 1010, New Zealand

In US dollars

Account name: TEA Custodians (AmanahNZ) Limited
Account number: 26853537-USD-26
Bank: ASB Bank, 12 Jellicoe Street, Auckland 1010, New Zealand
Swift Code: ASBBNZ2A

Subject to acceptance of applications by the Manager, the Units are issued when the investment monies are received into the US dollar account based on the amount of US dollars received.

5. WITHDRAWALS

You can redeem your investment in AmanahNZ at the end of each quarter (31 January, 30 April, 31 July and 31 October), provided that you give us a completed withdrawal form at least one month prior to the redemption date.

Your investment in AmanahNZ can be sold, however 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. We can assist with the sale of your investment (if requested) however we are unable to guarantee that buyers will be available when you wish to sell. If you wish to sell your Units, you must notify the Manager in writing. If there is not a buyer during the quarter, the Units will be redeemed at the next quarter end date.

AmanahNZ charges an exit fee of 0.75% of the redemption value of your Units at the time of sale or redemption. Investors may, however, sell or redeem up to 5% per annum of their Units exempt from exit fees. This enables you to manage your investment to provide a cash flow.

The Manager can, at its discretion, charge you any brokerage fees, bank fees or other disbursements incurred when issuing, selling or redeeming your Units. These are actual expenses related to entry and exit and are calculated from bank, brokerage or other disbursements' statements.

DISTRESSED INVESTOR

Where the Manager agrees, Units can be redeemed at other times. In the event of a redemption outside a quarter date, the Manager is entitled to deduct an estimated contribution to that quarter's fees, taxation (if any), expenses and purification from the withdrawal amount.

SUSPENSION OF WITHDRAWALS

We may also suspend or defer redemptions in certain circumstances, where we may, in good faith, form the opinion that it would not be practicable or would be materially prejudicial to the interests of investors to realise investments in order to permit the redemption of Units. In such circumstances, we must give notice to that effect to the Supervisor and to you. While the Trust Deed allows us to suspend withdrawals, we consider it unlikely that this power will be exercised.

NO GUARANTEE

There is no guarantee from any person in respect of AmanahNZ. None of the Manager, the Supervisor, any underlying investment manager or administration manager, or any director or board member of any of those entities or any other person guarantees the performance of AmanahNZ or the payment of any money payable from AmanahNZ.

6. KEY TERMS OF THE SCHEME

CHANGING THE TRUST DEED AND THE SIPO

Subject to the Relevant Law, the Trust Deed may at any time be amended by deed executed by the Manager and the Supervisor, if, in the opinion of the Supervisor, the change is made to correct a manifest error or is of a formal or technical nature, or if the change is necessary or desirable for the more convenient, economical or advantageous working, management or administration or for safeguarding or enhancing the interests of AmanahNZ or investors and is not likely to become materially prejudicial to the general interests of all investors. We are unable to change the Trust Deed where to do so would have a material adverse effect on investors.

Where an amendment to the Trust Deed is proposed which materially affects investors, this must be approved by a special resolution of investors; this means a resolution approved by investors holding Units with a combined value of no less than 75% of the value of Units held by those persons who are entitled to vote and who vote on the question.

Amendments to the SIPO are made by our Board of Directors, either as a result of its own review or by recommendation. Any amendments to the SIPO must be approved to ensure they meet the minimum standards. Our Board of Directors approve any amendments to the SIPO prior to the provision of the same to the Supervisor.

In accordance with the FMC Act, we may amend or replace the SIPO only after having given reasonable prior written notice to, and consultation with, the Supervisor. Any amended versions of the SIPO must be uploaded by us to the Disclose Register.

THE MANAGER

Duties

The Manager is responsible for performing the functions for which responsibility is attributable to it as manager of AmanahNZ under the FMC Act. The Manager is responsible for the following functions in respect of AmanahNZ:

- Offering Units;
- Issuing Units;
- Managing and investing the scheme property and investments (subject to compliance with the SIPO); and
- Administering AmanahNZ.

In exercising its powers and performing its duties as manager of AmanahNZ, the Manager must comply at all times with its duties under the FMC Act:

- Act honestly;
- Act in the best interests of investors;
- Treat investors equitably;
- Exercise the care, skill and diligence that a prudent person engaged in the profession of a professional manager would exercise in the same circumstances;
- Carry out its functions in accordance with the Trust Deed, the SIPO and all other issuer obligations of the Manager; and
- Not make use of information acquired through being the Manager in order to gain an improper advantage for itself or any other person or cause detriment to investors.

Appointment, Retirement and Removal

The Manager may retire as manager of AmanahNZ at any time without assigning any reason upon giving 90 days' notice in writing to the Supervisor of its intention to do so. No such retirement will take effect until a new manager has been appointed in accordance with the Trust Deed and has executed a new deed with the Supervisor.

The Manager will cease to hold office if it is removed by written direction of the Supervisor after the Supervisor certifies that it is in the best interests of investors that the Manager be removed, or removed by a special resolution of investors or substituted by the High Court in accordance with its powers under the FMC Act. If the Manager ceases to hold office under this clause, the Manager and any delegate of the Manager must immediately desist from all activities related to AmanahNZ unless the Supervisor agrees to the contrary.

Where any vacancy has occurred, the power of appointing a temporary manager of AmanahNZ is vested in the Supervisor. Upon any vacancy in the officer of manager occurring, the Supervisor must summon a meeting of investors and must take such steps as required to secure the appointment of any temporary manager appointed. If the Supervisor fails or refuses to appoint a temporary manager or if the investors require a new manager to be appointed, then the power of appointing a new manager is vested in the relevant investors who must exercise such power by a special resolution.

THE SUPERVISOR

Duties

The Supervisor must comply with and perform the duties and obligations of a Supervisor under the Relevant Law and must not delegate the performance of its duties except as permitted under the Financial Markets Supervisors Act 2011.

The Supervisor must, in carrying out its duties and obligations under the Trust Deed, exercise the care, diligence and skill required of a prudent person engaged in the profession or business of acting as a Supervisor of a managed investment scheme and must comply with its duties under the Relevant Law.

Appointment, Retirement and Removal

Subject to the Trust Deed and the FMA's prior consent, the Supervisor may retire as supervisor of AmanahNZ upon the expiration of 90 days' written notice given to the Manager (or such shorter written notice period as is agreed between the Supervisor and the Manager). No such retirement will take effect until a new licensed supervisor has been appointed pursuant to the Trust Deed and all investments have been transferred to the new licensed supervisor or its appointed delegate.

The Supervisor shall cease to hold office as Supervisor of AmanahNZ if they are removed in accordance with the terms of the Trust Deed and the Relevant Law, either by the Manager (with the FMA's prior consent), by the FMA, or by a special resolution of investors.

The power of appointing a new supervisor of AmanahNZ (in place of a supervisor which has retired or been removed from office) is vested in the Manager, provided that no person may be appointed as a new supervisor unless qualified for appointment under the Trust Deed.

INDEMNITIES

If the Supervisor or the Manager is held personally liable to any other person in respect of any debt, liability, tax or obligation incurred by or on behalf of AmanahNZ or any action taken or omitted in connection with AmanahNZ, then the Supervisor or the Manager (as applicable) is entitled to indemnity and reimbursement out of AmanahNZ (as appropriate) to the full extent of such debt, liability, tax or obligation and the costs of any litigation or other proceedings in which such debt, liability, tax or obligation has been determined (including, without limitation, legal fees and disbursements).

The Supervisor and the Manager are each entitled to be reimbursed out of AmanahNZ (whether from income or capital or both), for all direct and indirect expenses, fees, losses, costs or liabilities incurred by the Supervisor or the Manager respectively in or about acting as Supervisor or Manager (as applicable) under the Trust Deed (including, for the avoidance of doubt and not by way of limitation, any expense, cost or liability which may be incurred by the Supervisor or the Manager (as applicable) in bringing or defending any action or suit in respect of AmanahNZ.

Except as expressly provided in the Trust Deed, any agent of the Supervisor or the Manager, acting for or on behalf of the Supervisor or the Manager (as the case may be) shall have the benefit of any exclusions or indemnities given to the Supervisor and the Manager (as applicable) in the Trust Deed.

The Supervisor or the Manager or any director or officer of the Supervisor or of the Manager are not exempt from or indemnified against any liability for breach of trust where it or that director or officer fails to show the degree of care, diligence and skill required of it or that director or officer in that capacity, having regard to the provisions of and the powers, authorities and discretions conferred by the Trust Deed and the Relevant Law.

FURTHER INFORMATION ON FEES, COSTS AND EXPENSES

Supervisor's fee

The Supervisor will be paid a reasonable fee consistent with the services it performs as agreed between the Manager and the Supervisor from time to time (subject to the Relevant Law). The fee may be deducted from the Assets of AmanahNZ or paid by cancelling Units in investor accounts.

Management fee

Subject to the Relevant Law and the terms of any Establishment Deed, the Manager may charge for its services with respect to AmanahNZ such annual or other administration, management, membership, transaction or other fees as the Manager determines from time to time. The method of paying such fees shall be determined by the Manager from time to time and notified to the Supervisor in writing. The Manager is entitled to receive, in addition to the fees referred to in the Trust Deed, any goods and services tax or duty or similar tax or duty payable in respect of such fees.

Reimbursement of costs and expenses

The Manager and the Supervisor are entitled to reimbursement for all reasonable costs and expenses incurred on behalf of AmanahNZ. These include the costs of preparation of this document and other documents in relation to the offer of the Units in AmanahNZ, professional advisers' fees, taxes/duties and other administration costs.

There is no limit on the amount of reimbursement of expenses to which the Manager and Supervisor are entitled. The payment of these expenses is included in the "fund charges" for which an estimate is provided in the PDS and that will be disclosed in the fund updates (once available) and on the register entry on the offer register for AmanahNZ on the Disclose website at www.business.govt.nz/disclose/.

Basis for estimates of fund charges in PDS

The annual fund charges in the PDS include estimates of fees and expenses expected to be charged by AmanahNZ. This includes an estimate for performance fees, which was determined by reviewing historical charges and the long-term performance of the market indices in accordance with schedule 4 of the FMC Regulations.

An estimate for costs and expenses (as a percentage of the net asset value per annum) is also provided in the PDS. Actual charges, however, will vary from the estimates and will depend on the expenses incurred by AmanahNZ. The estimate in the PDS is based on historical charges; however, the amount of these expenses cannot be determined until they are incurred and will vary from time to time.

BORROWING

Borrowing is prohibited under the Trust Deed and by the Ethical Mandate outlined in the SIPO of AmanahNZ.

VALUATION

The Manager shall, in respect of AmanahNZ, determine the amount expressed in New Zealand currency that represents the value of that fund at the applicable valuation time by taking the aggregate of:

- Assets of AmanahNZ valued by the Manager at the current fair market value on such basis that the Manager considers appropriate;
- income accruing from the assets of AmanahNZ or a proper part thereof relative to the valuation time on which income is being determined to the extent such income is not already included in the determination; and
- any other amounts which in the opinion of the Manager should be included in such aggregate for the purpose of making an equitable and reasonable determination of the value of AmanahNZ, having regard to generally accepted accounting practice as defined in the Financial Reporting Act 2013,

and by deducting from such aggregate the total of:

- all liabilities of AmanahNZ determined on such basis as the Manager considers appropriate;
- any costs, charges, or other amounts incurred or accrued or which will or may be incurred in holding the assets in AmanahNZ or a part of or provision against payment of any of the foregoing determined by the Manager in a manner which the Manager considers to be suitable and equitable; and
- any amounts which in the opinion of the Manager should be included in such aggregate for the purpose of making an equitable and reasonable determination of the total value of AmanahNZ, having regard to generally accepted accounting practice as defined in the Financial Reporting Act 2013.

Every such determination of the value of AmanahNZ shall be deemed to take effect at the valuation time in respect of which it is made and shall remain in force until the next valuation time is determined for the establishment of the value of the same.

USE OF MARKET INDICES

AmanahNZ uses the Dow Jones Islamic Market World Index and the Dow Jones Islamic Market US Index as its market indices for the purposes of the FMC Regulations. The market indices are used as a comparative measure of performance for AmanahNZ, which will be referenced in AmanahNZ's fund updates and fund data available on the Disclose Register (www.business.govt.nz/disclose).

RELATED TRANSACTIONS

Except as provided in the Trust Deed, the Manager is expressly prohibited from investing the assets with a Related Person of the Manager.

Any investment of AmanahNZ in accordance with the Trust Deed shall not render the Manager or the Supervisor liable to account to AmanahNZ or any investor for any profit or loss arising from any transaction entered into in accordance with the Trust Deed.

MATERIAL CONTRACTS

The Manager entered into a support services agreement with The Kiwi Registry Company Limited (now known as Appello Services Limited (ASL)) on 20 February 2014, under which ASL agreed to provide unit registry and certain administration services for the Manager. This contract was renewed and updated in September 2016.

WINDING UP

AmanahNZ shall be wound up if:

- the Manager notifies the Supervisor in writing that AmanahNZ is to be wound up;
- the Supervisor is of the opinion that AmanahNZ is or will be unable to fulfil its purpose and resolves that AmanahNZ should be wound up;
- AmanahNZ ceases to have any beneficiaries and the Supervisor resolves that AmanahNZ should be wound up;
- the FMA orders that AmanahNZ be wound up in any of the circumstances specified under the Relevant Law; or
- the winding-up of AmanahNZ is otherwise required by any law and the Supervisor accordingly resolves that AmanahNZ should be wound-up.

Immediately after the winding up date, no further applications shall be accepted.

In winding up AmanahNZ, the Manager and the Supervisor shall comply with the provisions of the Relevant Law relating to the winding up of a managed investment scheme.

If AmanahNZ is wound up, the Supervisor must sell its assets and (after providing for any amount necessary to meet all claims and liabilities (including fees)), will distribute the balance to investors in proportion to their holdings of Units at the time of distribution. The amount distributed to investors on winding up may be adjusted to reflect AmanahNZ's PIE income tax liability (if any), on income attributed to investors.

RECORD KEEPING

The Manager must keep proper accounting records in respect of AmanahNZ. The Supervisor will provide the Manager with any information held by them that the Manager requires in order to keep those records. The Manager is also required to keep a register of investors for AmanahNZ in the form and manner required by the FMC Act. The Register shall be available for inspection in accordance with the FMC Act. The Manager is required to audit the Register annually.

7. TAXATION

The level of taxes will affect the amount of your benefit from AmanahNZ.

The Manager, and the Supervisor do not accept any responsibility for the taxation implications of your investing in AmanahNZ. Tax legislation and its interpretation are subject to change, and the application of tax laws will depend on your individual circumstances. We recommend that you consult your own independent tax adviser as to the tax consequences of investing in AmanahNZ.

The following is a general summary of our understanding of New Zealand tax legislation as it affects AmanahNZ at the date of the PDS.

TAX ON INVESTMENT INCOME

AmanahNZ is a Portfolio Investment Entity (PIE) as defined in the Income Tax Act. The tax rate for your investment income from a PIE is called your prescribed investor rate (PIR). Your PIR is used by AmanahNZ to calculate tax liability attributable to you and other investors for each calculation period (or the date of any movements). AmanahNZ has also elected to be a foreign investment zero-rate PIE.

AmanahNZ accounts for this income tax liability by cancelling or issuing additional Units to each investor based on the tax liability that was incurred on the income attributed to that investor.

Individuals (New Zealand Residents)

The Manager will ask you for your PIR every year. For New Zealand resident individuals who provide their IRD number to AmanahNZ, there are three PIR available –

Your Prescribed Investor Rate (PIR) is	If you meet the following criteria -
10.5%	You are a New Zealand tax resident who has earned \$14,000 or less of taxable income (excluding PIE income) and \$48,000 or less in total taxable income (combined with PIE income or loss) in either of the last two income years
17.5%	You are a New Zealand tax resident who does not qualify for the lowest rate, but have earned \$48,000 or less of taxable income (excluding PIE income) and \$70,000 or less in total taxable income (combined with PIE income or loss) in either of the last two income years
28%	You do not qualify for either of the lower rates. You have earned more than \$48,000 of taxable income (excluding PIE income) and more than \$70,001 in total taxable income (combined with PIE income or loss) in either of the last two income years

Provided an individual investor has correctly notified the Manager of their PIR, the tax paid by AmanahNZ on income attributed to that investor will be a final tax and the investor will not have an obligation to file a tax return in respect of PIE income.

Individuals (Non-Resident)

If you are not a New Zealand Tax Resident, your PIR rate will be 28% automatically. International investors may however be able to elect a lower PIR as AmanahNZ has elected to be a foreign investment zero-rate PIE. International investors may elect to be a notified foreign investor, by notifying the Manager and providing their date of birth, home address in country of residence and tax number. If you are a notified foreign investor, you are able to elect a PIR of 0%, meaning PIE income attributable to you is not subject to New Zealand taxation.

Trusts

If a trust elects a 28% PIR there is no requirement for the trust to include this income in its own tax return. If a PIR of lower than 28% applies, the trust must allocate and account for attributed PIE income on its own tax return at the appropriate rate of tax.

Default PIR or Incorrect PIR

If you do not provide the Manager with your PIR and IRD number, or you are a non-resident of New Zealand, any taxable income allocated to you will be taxed at 28%. If you provide the Manager with the wrong PIR or if your PIR changes and you do not advise the Manager you may pay the wrong level of tax on your share of taxable income. In these circumstances, you may have to pay further tax, or may have overpaid tax which cannot be recovered.

TAXATION OF AMANAHNZ'S INVESTMENTS

AmanahNZ's investments are characterised as interests in foreign investment funds (FIFs) for New Zealand tax purposes. Under the regime applicable to the taxation of FIF investments, applying the fair dividend method, AmanahNZ is treated as deriving an amount of income equal to 5% of the daily market value of the interests held by AmanahNZ. The rate of tax applicable to this income depends on the tax status of the individual investor as described in this section.

In applying the fair dividend rate method, any dividends or distributions flowing from interests in FIFs will not be separately taxed in New Zealand.

Tax (in particular withholding tax) may also be imposed by the overseas jurisdictions in which AmanahNZ holds investments (this may give rise to a tax credit in New Zealand).

8. RISKS

All investment carries a degree of risk and no level of return is promised or guaranteed. The value of your Units in AmanahNZ will go up and down, so it is possible that you could receive less from AmanahNZ than you invest, particularly if you invest for a short period of time and market conditions have been poor.

The PDS sets out the material risks to your investment in AmanahNZ. These risks are explained further below, which also describes further risks that may mean you receive less than you invest in AmanahNZ.

Risk type	Description of risk	Risk management processes
Investment Management Risk	Our investment management approach may lead us to choosing investments which underperform, or may result in us misjudging market movements.	We monitor the performance of our investments on a daily basis and ensure they abide by the Ethical Mandate and any performance guidelines set. Investment management activities are undertaken "in-house"; we are not dependent on other Managers to perform investment activities or achieve the outcomes we want.

Market Risk	<p>The investments of AmanahNZ are subject to economic, business, technological, political, tax and regulatory conditions. These factors and market sentiment, which can affect stock markets and the value of individual investments held by AmanahNZ.</p>	<p>Investments are diversified, across both asset classes and industries. We monitor the performance of our investments on a daily basis.</p> <p>We use research and analysis to establish a view on market factors as best we can and attempt to reduce their impact by adjusting the portfolio's exposure to those areas.</p>
Operational Risk	<p>AmanahNZ may be exposed to operational risks that result from external events or failure of internal processes, people and systems. These risks include technology risk (including business systems failure), human error or failure, fraud, non-compliance with legal and regulatory obligations, counter-party performance under outsourcing arrangements, legal risk, data integrity risk, security risk and external events.</p>	<p>We have documented structures and systems in place as a method of reducing the impact of operational risks, which we test, review and update (as required) on a regular basis.</p>
Currency Risk	<p>AmanahNZ is denominated in US dollars. You will be exposed to currency fluctuations between the US dollar and the currency where you are domiciled. When you redeem, if you wish to receive your redemption value in New Zealand dollars, then the final value of your investment will be dependent on the NZD/USD exchange rate at the time of your decision to redeem.</p> <p>AmanahNZ's investments may be denominated in foreign currencies. This means there is a risk that those foreign currencies fall or rise in value, affecting the value of those assets from a New Zealand perspective.</p>	<p>AmanahNZ's Ethical Mandate prevents the Manager from using hedging instruments to reduce foreign currency exposure.</p> <p>Investors who are concerned about currency risk may consider the use of hedging instruments as part of their investing activities.</p>
Stock Turn Risk	<p>Strict compliance with AmanahNZ's Ethical Mandate may require the Manager to sell investments immediately; this means an investment may need to be sold at the expense of future performance.</p>	<p>The Manager uses a screening service to monitor the compliance of AmanahNZ with its Ethical Mandate on a daily basis. Where the Manager is concerned about the future compliance of the investment, the Manager may prepare to exit the investment in advance.</p>
Ethical Mandate Risk	<p>Investments may, without the Manager's knowledge, breach AmanahNZ's Ethical Mandate.</p>	<p>The Manager monitors all investment activities to ensure they are compliant with the SIPO (and the Ethical Mandate), the Relevant Law, the trust deed and offer documents.</p> <p>Purification is the method used to cleanse any investment income that may have been generated by a company from non-permissible activities. The Manager, calculates the required purification for each stock, which is then accumulated and "purified" by a donation to charity. The amount of purification varies between stocks and is based on the portion of the company's income that is derived from non-permissible sources.</p>
Third-party Risk	<p>The Manager may choose to outsource its administration, management or investment duties to third parties.</p>	<p>The terms of any outsourcing agreements are defined in written agreements with the concerned parties. The outsourcing of any duties of the Manager does not limit the Manager's responsibilities for the duties.</p>

Taxation Risk	<p>AmanahNZ is a PIE.</p> <p>The eligibility requirements to maintain PIE status pose a risk. Although we have mechanisms available to manage compliance with the PIE eligibility requirements, there remains a risk that AmanahNZ could lose PIE status if there is a breach of those requirements and we do not become aware of the breach in time to correct it. This risk, if manifested, may have an adverse effect on the tax position of AmanahNZ and/or you.</p> <p>Taxation laws of the New Zealand jurisdiction are subject to change.</p>	<p>The Manager monitors taxation laws, including any proposed changes, to ensure that they are up-to-date with the current (or any proposed future) taxation position(s) of AmanahNZ.</p> <p>The Manager requests investors to provide their PIR on an annual basis.</p>
Liquidity Risk	<p>Liquidity risk is defined in two parts:</p> <ul style="list-style-type: none"> • The ability of AmanahNZ to meet its obligations to investors when due (i.e. ability to make redemption payments); and • The ability of the Manager to sell investments of AmanahNZ. 	<p>The value of AmanahNZ's investments can change due to conditions beyond the foresight or control of the Manager. The volatility of the prices of international equities may mean that if investments must be sold immediately then a lower return than expected may occur. While the value of AmanahNZ's Units may change, AmanahNZ has no external borrowings.</p> <p>While the Trust Deed allows the Manager to suspend withdrawals, the Manager considers it unlikely that this power will be exercised.</p> <p>The Ethical Mandate prohibits investment in fixed return products or derivatives instruments.</p> <p>AmanahNZ's Ethical Mandate requires investments to be highly liquid to ensure investors may be repaid when required.</p>
Exit Risk	<p>There is a risk that at the time of requested redemption, the Manager is unable to redeem Units of AmanahNZ.</p> <p>In certain circumstances, the Manager may, in good faith, form the opinion that it is not practicable, or would be materially prejudicial to the interests of investors, to realise investments in order to permit redemptions of Units. In such circumstances, the Manager may give notice suspending withdrawals to investors.</p>	<p>The risk that the Manager cannot redeem a Unit of AmanahNZ is low due to the liquidity of AmanahNZ's Assets. Processing takes 5 working days (T+5).</p> <p>The Directors have the discretion, including in the case of a distressed investor, to redeem Units outside of a quarter end date.</p> <p>The Directors do not believe there are any foreseeable circumstances that suspension notices would be issued as the redemption value of AmanahNZ is matched to its underlying assets.</p>
Legislative and regulatory risk	<p>Your returns may be affected by legislative and regulatory changes both in New Zealand and overseas which may affect AmanahNZ's investments and the environments in which they operate. Such legislation and regulations, as well as government policy, are subject to change at any time.</p>	<p>The Manager monitors Relevant Laws, including any proposed changes, to ensure that we are able to fully analyse the effect of any proposed changes to AmanahNZ, and to notify investors of how this may affect their investment.</p>

9. CONFLICTS OF INTEREST

All assets of AmanahNZ are held by the Supervisor via its Custodian's Nominee, TEA Custodians (AmanahNZ) Limited.

Amanah Trust Management has a management agreement with AmanahNZ KiwiSaver Limited, a related body of the Manager. All staff involved in providing services for AmanahNZ KiwiSaver Limited are employed by Amanah Trust Management, and all investment management and administrative services for Amanah KiwiSaver Plan, the scheme managed by AmanahNZ KiwiSaver Limited, are undertaken by Amanah Trust Management, except where these functions are outsourced to external service providers. Amanah Trust Management receives reimbursement for these duties under the management agreement, which is derived from the management fee for Amanah KiwiSaver Plan outlined in its governing documents.

The Boards of Directors for AmanahNZ KiwiSaver Limited and Amanah Trust Management (NZ) Limited consist of the same persons.

All fees and reimbursements for expenses to the Manager or other parties must be approved by two Directors and the Supervisor before processing. All payments from AmanahNZ's assets are processed by the Custodian.

The Board of Directors and staff are required to disclose any potential conflicts of interest they may have prior to appointment and on an ongoing basis. Where it is deemed that a Director has a conflict of interest with the business, further action may be required, including removal of the concerned person in serious circumstances.

We also maintain an internal compliance framework that addresses identifying, declaring and managing conflicts of interest.

The FMC Act imposes statutory controls on conflicts of interest:

- We must, in exercising any power, or performing any duties, exercise the care, diligence and skill that a prudent person engaged in that profession would exercise in those circumstances; act honestly in acting as manager; act in the best interests of investors; and treat investors fairly.
- Where we contract out our functions to external parties, we must seek to ensure the persons to whom we contract those functions perform them to the above standards as if we were performing them ourselves. We must also monitor the performance of those functions.
- Where a related party transaction provides a related party benefit as prescribed by the FMC Act, we must notify the Supervisor and provide any certification required by the FMC Act.

10. FINANCIAL STATEMENTS

Financial statements for AmanahNZ are available on the scheme register on the Disclose website www.business.govt.nz/disclose/.

AmanahNZ's financial statements are audited by a qualified auditor, currently William Buck. The auditor's report on the financial statements will accompany the financial statements uploaded to the scheme register each year.

GLOSSARY

AAOIFI Standards: The Accounting and Auditing Organisation for Islamic Financial Institutions standards at the relevant time.

AmanahNZ: A managed investment scheme registered under the FMC Act.

Amanah Trust Management (NZ) Limited: The Manager of AmanahNZ, a registered managed investment scheme.

Assets: Any money, property or other assets of any kind including:

- (a) real and personal property;
- (b) any debt; and
- (c) any right or interest or other benefit, and any interest in, or return accruing from, any of the foregoing whether in possession or not.

Auditor: William Buck.

Authorised Investments: For AmanahNZ, this is currently defined as the stocks of up to 50 corporations listed on approved stock exchanges (NYSE, NYSE MKT LLC or NASDAQ), or cash (US dollars). All investments must comply with AmanahNZ's Ethical Mandate.

Custodian: Trustees Executors Limited.

Custodian's Nominee: TEA Custodians (AmanahNZ) Limited.

Directors: The Directors of Amanah Trust Management (NZ) Limited, unless otherwise stated.

Establishment Deed: A deed to establish an investment fund under the Trust Deed.

Ethical Mandate: The restricted investment mandate of AmanahNZ, as outlined in the current SIPO.

FMA: Financial Markets Authority, the government agency responsible for regulating capital markets and financial services in New Zealand.

FMC Act: The Financial Markets Conduct Act 2013.

FMC Regulations: The Financial Markets Conduct Regulations 2014.

Investor: An investor in units of AmanahNZ.

Liabilities: Debts and other obligations of the Supervisor and the Manager payable from AmanahNZ or any particular investment fund (as applicable) including all tax and duties payable from AmanahNZ but excluding contingent liabilities and PIE tax except to the extent the Manager decides an allowance should properly be made therefor.

Manager: Amanah Trust Management (NZ) Limited.

PDS: A product disclosure statement under the FMC Act. A PDS is a document containing information about that fund intended to assist a prudent but non-expert person to decide whether to invest in that fund. An investor must be given a copy of the relevant PDS before investing. The PDS for AmanahNZ can be obtained from the offer register on the Disclose website www.business.govt.nz/disclose/.

PIE: A portfolio investment entity as defined in section YA1 of the Income Tax Act 2007.

Prescribed Investor Rate (PIR): PIR has the meaning given to that term by section YA1 of the Income Tax Act 2007.

Purification: The method used to cleanse any investment income that may have been generated by a corporation from non-permissible activities under the AAOIFI standards (for example, pork and alcohol).

Register: The register of investors maintained by the Manager under the Trust Deed.

Registrar: Appello Services Limited.

Relevant Law: All laws applicable to the Manager (including compliance with the terms of its market services licence from the FMA), the Supervisor and/or AmanahNZ at applicable points in time and which may include, without limitation, the financial markets legislation and any guideline, ruling, notice or methodologies and frameworks issued by the FMA or the Registrar.

Scheme: AmanahNZ.

SIPO: Statement of Investment Policy and Objectives.

Supervisor: Trustees Executors Limited.

Trust Deed: The Trust Deed for AmanahNZ.

Unit: A unit in AmanahNZ.

AMANA H ETHICAL

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