



**KIWI  
SAVER**

# AE KIWISAVER PLAN

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## Product Disclosure Statement

Issued by Always-Ethical Limited  
Dated 24 February 2023

**This document replaces the Product Disclosure Statement dated 21 December 2021.**

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](http://www.business.govt.nz/disclose). AE KiwiSaver Limited \*, has prepared this document in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial adviser to help you make an investment decision.

\*Formerly known as Amanah KiwiSaver Limited

# 1. KEY INFORMATION – SUMMARY

|  |   |                   |   |                                  |   |                    |  |  |   |   |   |   |   |   |   |                                 |  |  |  |                                  |  |  |
|--|---|-------------------|---|----------------------------------|---|--------------------|--|--|---|---|---|---|---|---|---|---------------------------------|--|--|--|----------------------------------|--|--|
| <p><b>WHAT IS THIS?</b></p>                        | <p>AE KiwiSaver Plan (scheme) is a managed investment scheme (MIS). Your money will be pooled with other investors' money and invested in various investments. AE KiwiSaver Limited will invest your money and charge you a fee for its services. The returns you receive are dependent on the investment decisions of AE KiwiSaver Limited and the performance of the investments. The value of those investments may go up or down. The types of investments and the fees you will be charged are described in this document.</p> <p>The scheme is governed by the KiwiSaver Act 2006. Under that Act, AE KiwiSaver Plan is only available to New Zealand citizens and permanent residents living in New Zealand.</p>   |                   |   |                                  |   |                    |  |  |   |   |   |   |   |   |   |                                 |  |  |  |                                  |  |  |
| <p><b>WHAT WILL YOUR MONEY BE INVESTED IN?</b></p> | <p>AE KiwiSaver Limited offers one fund - AE KiwiSaver Plan.</p> <p>This investment option is summarised below. More information about the investment target and strategy is provided in Section 3 "Description of your investment".</p>  |                   |   |                                  |   |                    |  |  |   |   |   |   |   |   |   |                                 |  |  |  |                                  |  |  |
| <p><b>RISK INDICATOR</b></p>                       | <table style="width: 100%; text-align: center;"> <tr> <td colspan="4"><b>Lower Risk</b></td> <td colspan="3"><b>Higher Risk</b></td> </tr> <tr> <td style="border: 1px solid black; padding: 2px;">1</td> <td style="border: 1px solid black; padding: 2px;">2</td> <td style="border: 1px solid black; padding: 2px;">3</td> <td style="border: 1px solid black; padding: 2px;">4</td> <td style="border: 1px solid black; padding: 2px;">5</td> <td style="border: 1px solid black; padding: 2px;">6</td> <td style="border: 1px solid black; padding: 2px; background-color: #FFD700;">7</td> </tr> <tr> <td colspan="4"><b>Potentially Lower Return</b></td> <td colspan="3"><b>Potentially Higher Return</b></td> </tr> </table> <p>See section 4 "What are the risks of investing?" for an explanation of the risk indicator and information about other risks not included in the risk indicator. To help clarify your own attitude to risk, you can seek financial advice, or work your risk profile at: <a href="http://www.sorted.org.nz/calculators/investment-planner">www.sorted.org.nz/calculators/investment-planner</a></p> | <b>Lower Risk</b> |   |                                  |   | <b>Higher Risk</b> |  |  | 1 | 2 | 3 | 4 | 5 | 6 | 7 | <b>Potentially Lower Return</b> |  |  |  | <b>Potentially Higher Return</b> |  |  |
| <b>Lower Risk</b>                                  |   |                   |   | <b>Higher Risk</b>               |   |                    |  |  |   |   |   |   |   |   |   |                                 |  |  |  |                                  |  |  |
| 1  | 2   | 3                 | 4 | 5                                | 6 | 7                  |  |  |   |   |   |   |   |   |   |                                 |  |  |  |                                  |  |  |
| <b>Potentially Lower Return</b>                    |   |                   |   | <b>Potentially Higher Return</b> |   |                    |  |  |   |   |   |   |   |   |   |                                 |  |  |  |                                  |  |  |
| <p><b>ANNUAL FUND CHARGES</b></p>                  | <p>ESTIMATED ANNUAL FUND CHARGES: 1.78% of AE Investor's net asset value (NAV) per annum.</p> <p>This is calculated in parts:</p> <p>Manager's fee: 1.39% of FUM</p> <p>Performance Fee: there are no performance fees</p> <p>Expenses: estimated 0.87%</p> <p>Other charges: an account fee of \$32.40 per member per year.</p>  |                   |   |                                  |   |                    |  |  |   |   |   |   |   |   |   |                                 |  |  |  |                                  |  |  |
| <p><b>WHO MANAGES AE KIWISAVER PLAN?</b></p>       | <p>AE KiwiSaver Limited is the Manager of AE KiwiSaver Plan.</p> <p>AE KiwiSaver Limited has outsourced the management of AE KiwiSaver Plan to its parent company Always-Ethical Limited. The outsourcing of any duties of the Manager does not limit the Manager's responsibilities for its duties.</p> <p>See section 7 "Who is involved?" for more information.</p>  |                   |   |                                  |   |                    |  |  |   |   |   |   |   |   |   |                                 |  |  |  |                                  |  |  |
| <p><b>WHAT ARE THE RETURNS?</b></p>                | <p>Returns on your investment come from changes in the unit price. The returns are distributed by the redemption value of the units.</p>  |                   |   |                                  |   |                    |  |  |   |   |   |   |   |   |   |                                 |  |  |  |                                  |  |  |

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| <p><b>HOW CAN YOU GET YOUR MONEY OUT?</b></p>      | <p>The rules for taking your money out are the same for all KiwiSaver providers.</p> <p>Your investment is locked in until you attain the New Zealand Superannuation qualifying age, currently 65 years.</p> <p>You may be permitted by the KiwiSaver Act 2006 to make an early withdrawal of part or all of your savings for one of the following reasons:</p> <ul style="list-style-type: none"> <li>i) Buying your first home</li> <li>ii) Significant financial hardship</li> <li>iii) Moving overseas permanently</li> <li>iv) Serious illness, life shortening congenital conditions</li> <li>v) Death – paid to your personal representatives</li> </ul> |
| <p><b>HOW WILL YOUR INVESTMENT BE TAXED?</b></p>   | <p>AE KiwiSaver Plan is a portfolio investment entity (PIE)</p> <p>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 <a href="https://www.ird.govt.nz/roles/portfolio-investments-entities/using-prescribed-investor-rates">https://www.ird.govt.nz/roles/portfolio-investments-entities/using-prescribed-investor-rates</a></p> <p>See section 6 “What taxes will you pay?” for more information.</p>   |
| <p><b>WHERE CAN YOU FIND MORE INFORMATION?</b></p> | <p>AE KiwiSaver Limited is required to publish quarterly updates for AE KiwiSaver Plan. The updates show the returns and the total fees actually charged to Investors during the previous year. The latest fund update is available at <a href="http://www.always-athical.com">www.always-athical.com</a></p> <p>The Manager will also give you copies of these documents free on request.</p>  |

# CONTENTS

|            |                                  |         |
|------------|----------------------------------|---------|
| SECTION 1  | Key Information Summary          | Page 2  |
| SECTION 2  | How does this investment work?   | Page 5  |
| SECTION 3  | Description of your investment   | Page 7  |
| SECTION 4  | What are the risks of investing? | Page 11 |
| SECTION 5  | What are the fees?               | Page 13 |
| SECTION 6  | What taxes will you pay?         | Page 14 |
| SECTION 7  | Who is involved?                 | Page 15 |
| SECTION 8  | How to complain                  | Page 16 |
| SECTION 9  | Where to find more information   | Page 17 |
| SECTION 10 | How to apply                     | Page 17 |

## 2. HOW DOES THIS INVESTMENT WORK?

|                                       |  |
|---------------------------------------|--|
| <b>FEATURES OF THE SCHEME</b>         | <p>AE KiwiSaver Plan (the Scheme) is a managed investment scheme registered under the Financial Markets Conduct Act 2013 (FMC Act) as a KiwiSaver scheme under the KiwiSaver Act 2006.</p> <p>The Scheme is governed by a trust deed between AE KiwiSaver Limited (the Manager) and Trustees Executors Limited (the Supervisor).</p> <p>AE KiwiSaver Plan has one fund - AE KiwiSaver Plan. The AE KiwiSaver Plan has a unique Strict Ethical Investment Mandate, and invests in AE Investor, a unit trust that complies with its Strict Ethical Mandate.</p> <p>No KiwiSaver funds are guaranteed by the New Zealand government or any other person.</p> <p>The assets of AE KiwiSaver Plan are not available to meet the liabilities of any other fund.</p>  |
| <b>HOW DOES THIS INVESTMENT WORK?</b> | <p>KiwiSaver is a voluntary work-based savings initiative to help you save for your retirement. The Fund receives contributions from the member, the member's employer, and the government. The employer and government contributions are set by legislation.</p> <p>Funds are pooled and are used to buy investments that are managed for all members of the scheme.</p> <p>There are no regular distributions from the fund, and there are restrictions and conditions that apply to withdrawals.</p> <p>The Manager is AE KiwiSaver Limited, which has outsourced the management of AE KiwiSaver Plan to its parent company Always-Ethical Limited. The outsourcing of any duties of the Manager does not limit the Manager's responsibilities for its duties.</p> <p>The investments are held by Trustees Executors' custodial division, independent of the Manager.</p>   |
| <b>WHAT ARE THE BENEFITS?</b>         | <p>Benefits of AE KiwiSaver Plan:</p> <ul style="list-style-type: none"><li>○ Save for first home purchase</li><li>○ Qualify for Kainga Ora first home assistance grants</li><li>○ Save for retirement</li><li>○ Receive the benefit of employer contributions</li><li>○ Receive Government contributions</li><li>○ Lump sum payable at age 65 years</li></ul> <p>How AE KiwiSaver Plan is different:</p> <ul style="list-style-type: none"><li>○ We apply a unique Strict Ethical Investment Mandate</li><li>○ We actively adjust the Fund's risk profile.</li><li>○ We invest in companies with strong balance sheets</li><li>○ We are New Zealand managed</li><li>○ We do not outsource asset management</li></ul> <p>The Strict Ethical Mandate is defined in section 3. This mandate restricts the Manager's investing activities to permitted investments, providing transparency for Investors, and enables Investors to take responsibility for how their investments impact society.</p> <p>For more information, please see section 3 "Description of your investment option".</p> |

|  |   |
|--|---|
| <p><b>JOINING THE SCHEME</b></p>           | <p>You can join the scheme if you live or normally live in New Zealand and if you are a New Zealand citizen or permanent resident.</p> <p>You begin investing in AE KiwiSaver Plan by completing the application form at the back of the PDS, together with the supporting documents requested, or you may contact us by email <a href="mailto:info@always-ethical.com">info@always-ethical.com</a>, or phone 0800 4 262624.</p>  |
| <p><b>MAKING INVESTMENTS</b></p>           | <p>Member contributions:</p> <p>If you are employed, you can choose to contribute 3%, 4%, 6%, 8% or 10% of your before tax salary or wages. The minimum is 3%.</p> <p>Your contribution is deducted by your employer and paid to IRD who then forwards the money to us.</p> <p>Employer contributions:</p> <p>If you are between 18 and 65, your employer contributes a sum equivalent to 3% of your before tax salary or wages.</p> <p>Voluntary contributions:</p> <p>You can make voluntary contributions at any time either by depositing the money into the AE KiwiSaver Plan, or via the IRD to your KiwiSaver account.</p> <p>Any member can make voluntary contributions at any time.</p> <p>Government contribution:</p> <p>These apply to members aged 18 – 65 only. Each year the government will contribute 50c per dollar you save up to \$521.43. This means you must save \$1,042.86 to qualify for the full payment. If you join KiwiSaver during the year, the contribution is based on the number of days you have been a member.</p> |
| <p><b>WITHDRAWING YOUR INVESTMENTS</b></p> | <p>KiwiSaver is a long-term investment and your investment is generally locked in until you attain the New Zealand Superannuation qualifying age, currently 65 years.</p> <p>You can transfer your investment to another KiwiSaver provider. But you are only permitted to have one KiwiSaver account open at any time.</p> <p>You may be permitted by the KiwiSaver Act 2006 to make an early withdrawal of part or all of your savings for one of the following reasons:</p> <ul style="list-style-type: none"> <li>○ Buying your first home</li> <li>○ Significant financial hardship</li> <li>○ Moving overseas permanently</li> <li>○ Serious illness, life shortening congenital conditions</li> <li>○ Death - paid to your personal representatives</li> </ul> <p>However, there are a number of rules that apply, and the early withdrawal rules may be changed from time to time by government legislation.</p> <p>Please contact us if you would like to discuss a specific situation.</p>  |

| <b>3. DESCRIPTION OF YOUR INVESTMENT OPTION</b> |   |
|---|---|
| <b>FUND NAME</b>                                | <p><b>AE KiwiSaver Plan</b></p> <p>This is the only Fund offered in the AE KiwiSaver Plan. For ease of understanding, this Fund is referred to throughout as AE KiwiSaver Plan.</p>   |
| <b>INVESTMENT OBJECTIVE and STRATEGY</b>        | <p>AE KiwiSaver Plan's objective is to provide an ethical long term retirement fund.</p> <p>It has a Strict Ethical Mandate. See below.</p> <p>We actively manage the risk profile of the fund to suit the market conditions. See target mix below.</p>   |
| <b>AUTHORISED INVESTMENTS</b>                   | <p>AE KiwiSaver Plan invests in units in AE Investor and/or cash.</p> <p>AE Investor is a unit trust managed by Always-Ethical Limited.</p> <p>AE KiwiSaver Plan selected AE Investor because:</p> <ul style="list-style-type: none"> <li>○ AE Investor was expressly designed to meet the investment requirements of AE KiwiSaver Limited and its AE KiwiSaver Plan.</li> <li>○ It complies with AE KiwiSaver Plan's Strict Ethical Mandate.</li> <li>○ It is actively managed.</li> <li>○ Uniquely, it manages the "risk type*" for its Investors, including AE KiwiSaver Plan.</li> <li>○ It invests in companies with strong balance sheets listed on the NYSE or Nasdaq.</li> <li>○ It selects and manages its investments - no outsourcing of investment management.</li> <li>○ Compliance with the Strict Ethical Mandate is checked daily.</li> <li>○ It is based in New Zealand.</li> <li>○ It is managed by the same team as manages AE KiwiSaver Plan.</li> <li>○ It is a long-term investment.</li> <li>○ All investments are made on a five-year horizon.</li> </ul> |
| <b>TARGET INVESTMENT MIX</b>                    | <p>The Always-Ethical Limited Investment Committee manages the investments of AE Investor (and AE KiwiSaver Plan). The only difference in investment between the two is the amount of cash held from time to time by AE KiwiSaver Plan, and this is primarily an administrative decision (based on the upcoming cash requirement for members, i.e. maturity, first home, and other approved withdrawals under the KiwiSaver rules).</p> <p>AE KiwiSaver Plan invests in one fund, AE Investor. A feature of AE Investor is that the risk profile is actively adjusted.</p>  |

**Actively adjusted risk profile**

**Actively adjusting the funds risk type is a unique feature of AE KiwiSaver.**

AE Investor's Investment Committee has wide discretion to set the target investment mix, and this may vary from 100% equities to 100% cash. The Investment Committee regularly considers market conditions and assesses the ratio of equities to cash and the risk to Investors' funds. The Manager describes the Fund as aggressive as it may have 90% – 100% of its assets invested in equities.

This unique aspect of AE Investor allows it to change its risk type.

The risk types are:

- Defensive
- Conservative
- Balanced
- Growth
- Aggressive

(See the table below from the [www.sorted.org.nz](http://www.sorted.org.nz) website).

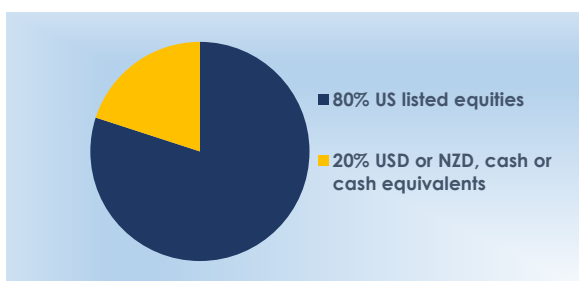
This unique aspect of AE Investor also changes the risk type of AE KiwiSaver Plan.

Part of AE Investor's investment strategy is to manage volatility by rebalancing equity and cash holdings. The balance may change depending on market events and the Manager's view of the market. In times of market uncertainty, AE Investor may sell equities and hold high cash levels. AE Investor will then look for opportunities to deliver long term growth by buying at prices below the future market price potential of the stock.

When the Investment Committee considers the world economy requires, it actively adjusts the ratio of cash to equities. This changes the risk type of the Fund.

For example, in February 2020 it reduced its equities holding to under 34% making its risk profile, by definition, a conservative fund ([www.sorted.org.nz](http://www.sorted.org.nz)). See table below.

| Fund - risk type    | % Equities | % Cash      |
|---------------------|------------|-------------|
| <b>Aggressive</b>   | 100 - 90%  | 0-10%       |
| <b>Growth</b>       | 89.9 - 63% | 10.1 – 37%  |
| <b>Balanced</b>     | 62.9 - 35% | 37.1 – 65%  |
| <b>Conservative</b> | 34.9 – 10% | 65.1 – 90%  |
| <b>Defensive</b>    | 0 – 9.9%   | 90.1 – 100% |





|  |   |   |   |   |   |   |   |   |
|--|---|---|---|---|---|---|---|---|
|  | <p>As a general guide the target mix is 80% equities, 20% cash, but this is not to be taken as limiting the Investment Committee's ability to stay nimble by adjusting the ratio of equities/cash as it believes appropriate.</p> <p>The Manager applies an active management strategy to its investments, while keeping the investments within the Strict Investment Mandate.</p>  |   |   |   |   |   |   |   |
| <p><b>RISK INDICATOR</b></p>                               | <p style="text-align: center;"><b>Lower Risk</b> <span style="float: right;"><b>Higher Risk</b></span></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;">1</td> <td style="text-align: center;">2</td> <td style="text-align: center;">3</td> <td style="text-align: center;">4</td> <td style="text-align: center;">5</td> <td style="text-align: center;">6</td> <td style="text-align: center; background-color: yellow;">7</td> </tr> </table> <p style="text-align: center;"><b>Potentially Lower Return</b> <span style="float: right;"><b>Potentially Higher Return</b></span></p> <p><i>See section 4 "What are the risks of investing?" for an explanation of the risk indicator and information about other risks not included in the risk indicator. To help clarify your own attitude to risk, you can seek financial advice, or work your risk profile at: <a href="http://www.sorted.org.nz/calculators/investment-planner">www.sorted.org.nz/calculators/investment-planner</a></i></p>   | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 1  | 2   | 3 | 4 | 5 | 6 | 7 |   |   |
| <p><b>SUITABILITY OF FUND FOR CLASSES OF INVESTORS</b></p> | <p>AE KiwiSaver Plan is suitable for ALL classes of KiwiSaver Investor who want a strictly ethical investment as per the Strict Ethical Mandate set out below.</p>  |   |   |   |   |   |   |   |
| <p><b>STRICT ETHICAL MANDATE</b></p>                       | <p><b>ETHICAL MANDATE</b></p> <p>Up to 50 equities, being ordinary shares listed on the NYSE or Nasdaq, and cash; USD and/or NZD.</p> <p><b>EQUITIES</b></p> <p><b>Equity investments to be in companies with strong balance sheets that meet certain financial ratios and are not in prohibited activities:</b></p> <p><b>Financial ratios:</b></p> <ul style="list-style-type: none"> <li>➤ Interest-bearing debt less than 30%.</li> <li>➤ Interest-bearing investments less than 30%.</li> <li>➤ Illiquid assets greater than 33% (i.e. assets making or doing something for the good of humanity exceed 67% of total assets).</li> </ul> <p><b>Prohibited activities:</b></p> <ul style="list-style-type: none"> <li>➤ Products whose return is based on receipt of interest. Including money lending*<br/>*Explanation: this excludes all financial institutions, Banks, Money Lenders and Insurance Companies.</li> <li>➤ Gambling and speculative investments*<br/>*Explanation: this is not just a prohibition of gambling organisations like Casinos, but also excludes high-risk investment products that rely on chance for success, e.g. hedging products.</li> <li>➤ Derivatives*<br/>*Explanation: these are a high-risk product that rely on chance for success. These are gambling.</li> <li>➤ Alcohol</li> <li>➤ Tobacco</li> <li>➤ Weapons of war</li> <li>➤ Adult entertainment</li> <li>➤ Gold and Silver hedging</li> </ul> |   |   |   |   |   |   |   |

|                                      |  |
|--------------------------------------|--|
|                                      | <ul style="list-style-type: none"> <li>➤ <b>Pork*</b><br/>*Explanation: This limits the investment in meat-based businesses.</li> <li>➤ <b>Leverage* (i.e. borrowing against investors' (your) money, not assets).</b><br/>*Explanation of leverage: Leverage is a practice of many fund managers. Leverage puts your investment at an unethical risk. Leverage is absolutely prohibited.</li> <li>➤ <b>Fossil fuel exploration</b></li> </ul> <p><b>If an investment is suspected of not complying with the Ethical Mandate, it is sold on the next trading day.</b></p>  |
|                                      | <p><b>CASH</b></p> <p>Any cash held in the Scheme is held in USD or NZD dollar interest-free bank accounts.</p> <p>The Ethical Mandate prohibits investment in fixed-return products or derivative instruments.</p> <p>Non permissible income generated from non-compliant business operations or investments (both operations and non-operations) should not exceed 5% of the total income generated by the company invested in.</p> <p>Each year the effect of the non-permissible income is "purified" by a donation to the poor.</p> <p>Purification is calculated by the Manager and AE Investor pays the sum calculated annually to charities for the poor.</p>                          |
| <p><b>RESPONSIBLE INVESTMENT</b></p> | <p>Responsible investment, including 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 the issuers Internet site at <a href="http://www.always-ethical.com">www.always-ethical.com</a></p>   |
| <p><b>FURTHER INFORMATION</b></p>    | <p>We review our SIPO in consultation with the Supervisor. We will notify you of any material changes before making them. The current SIPO can be found at <a href="http://www.always-ethical.com/documents">www.always-ethical.com/documents</a> or at <a href="https://disclose-register.companiesoffice.govt.nz">https://disclose-register.companiesoffice.govt.nz</a></p> <p>Further information about the assets in AE Investor can be found in the latest Fund Update at <a href="http://www.always-ethical.com/documents">www.always-ethical.com/documents</a> or <a href="https://disclose-register.companiesoffice.govt.nz">https://disclose-register.companiesoffice.govt.nz</a></p> |

## 4. WHAT ARE THE RISKS OF INVESTING?

### UNDERSTANDING THE RISK INDICATOR

Managed funds in New Zealand must have a standard risk indicator. The risk indicator is designed to help investors understand the uncertainties both for loss and growth that may affect their investment. You can compare funds using the risk indicator.

Lower Risk

Higher Risk

|   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|

Potentially Lower Return

Potentially Higher Return

The risk indicator for AE KiwiSaver Plan is found in section 3 'Description of your investment option'. AE Investor risk is calculated on the basis of its ability to invest in greater than 90% listed equities, and has a standard risk indicator set at 7, as shown above.

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

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

Note: Even the lowest category does not mean a risk-free investment, and there are other risks (described under the heading "Other specific risks") that are not captured by this rating.

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

### GENERAL INVESTMENT RISKS

Some of the factors that may cause the Fund's value to move up and down, which affect the risk indicator, are:

**AE Investor's Investment Committee regularly reviewing the cash/equity ratio as a method of managing volatility (risk)**

The volatility management can impact the risk of the Fund. As a helpful guide the table below is taken from the Te Ara Ahunga Ora Retirement Commission website [www.sorted.org.nz](http://www.sorted.org.nz)

| Fund - risk type | % Equities | % Cash      |
|------------------|------------|-------------|
| Aggressive       | 100 - 90%  | 0-10%       |
| Growth           | 89.9 - 63% | 10.1 - 37%  |
| Balanced         | 62.9 - 35% | 37.1 - 65%  |
| Conservative     | 34.9 - 10% | 65.1 - 90%  |
| Defensive        | 0 - 9.9%   | 90.1 - 100% |

|  |   |
|--|---|
|  | The Manager advises that investors should at all times consider the AE KiwiSaver Plan to be aggressive when making investment decisions.  |
| <b>Other general risk factors are:</b> |   |
| <b>INVESTMENT MANAGEMENT</b>           | Our investment management approach may lead us to choose investments which underperform, or we may misjudge market movements. 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.  |
| <b>MARKET</b>                          | The companies in which AE Investor invests in are subject to economic, business, technological, political, tax, regulatory conditions or market sentiment, which may affect general market movements or individual investments of the Scheme.   |
| <b>CURRENCY</b>                        | The Scheme's investments include units in AE Investor (denominated in USD currency). This means there is a risk that the USD changes in value may affect the value of those assets from a New Zealand perspective.  |
| <b>TAXATION</b>                        | The Scheme is a PIE under NZ taxation law. Scheme income attributable to Scheme Members is taxed at individual Scheme Member's PIR. Where an incorrect PIR is provided, a Scheme Member may be overcharged or may owe tax to Inland Revenue.<br><br>Taxation laws of New Zealand may be subject to change.  |
| <b>ETHICAL MANDATE</b>                 | Investments may, without the Manager's knowledge, breach AE KiwiSaver Plan's Ethical Mandate.   |
| <b>STOCK TURN</b>                      | Strict compliance with the Ethical Mandate means the Manager may be required to sell a stock at the expense of future performance.  |
| <b>THIRD PARTY – BROKERAGE</b>         | The Manager outsources the brokerage for the trading of its equity investments to JB Were (NZ) Ltd. The brokerage is instructed sale by sale and if the broker fails to perform, the risk is limited to that instruction. The broker arrangement can be readily changed.<br><br>JB Were (NZ) Ltd, has a high reputation as a brokerage house and provides useful trading algorithms to the Manager. |

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| <b>LIQUIDITY (OUR ABILITY TO SELL INVESTMENTS)</b> | <p>The ability to sell investments may sometimes be constrained. However, the risk relating to our ability to sell the Scheme's investments is low as the equities held by AE Investor are listed on the NYSE and Nasdaq.</p> <p>However, the value of the Scheme's investments can change due to conditions beyond our foresight or control. The volatility of the prices of international equities may mean that if investments must be sold immediately, then a lower return may be expected.</p> |
| <b>EXIT</b>  | <p>There is a risk that the Scheme may not be able to meet its obligations to investors when due. Under the Trust Deed, the Manager may, if circumstances require, in good faith, suspend the redemption of units. This risk, whilst legally available, is considered to be unlikely to occur and, if invoked, would be to protect the Investors of the Fund.</p> <p>The Ethical Mandate requires investments to be highly liquid to ensure investors may be repaid when required.</p>               |
| <b>OPERATIONAL</b>                                 | <p>The Scheme and AE KiwiSaver Plan 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>                                      |
| <b>LEGISLATIVE AND REGULATORY</b>                  | <p>Your returns may be affected by legislative and regulatory changes related to KiwiSaver and its operation, and changes both in New Zealand and overseas which may affect AE KiwiSaver Plan'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>   |

## 5. WHAT ARE THE FEES?

You will be charged fees and expenses for investing in AE Investor. Fees are deducted from your investment and reduce your returns. If Always-Ethical Limited invests in other funds, those other funds may also charge fees. The fees and expenses 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 fee (for example, withdrawal fees). AE KiwiSaver Plan does not have withdrawal fees.

|                                  |   |
|----------------------------------|---|
| <b>ANNUAL FUND CHARGES</b>       |   |
| <b>MANAGEMENT FEE</b>            | 1.39% per annum calculated quarterly by the Registry. This fee was fixed taking into account the specialist nature of the Strict Ethical Mandate, the cost of implementing the same, and the cost of managing a regulatory compliant fund, generally. |
| <b>PERFORMANCE FEE</b>           | There is no performance or bonus fee.   |
| <b>MEMBER ADMINISTRATION FEE</b> | Each KiwiSaver member is charged an account fee of \$32.40 per year.  |

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| <p><b>EXPENSES</b></p>                                 | <p>These cover the general management costs of AE Investor and include the charges of the Supervisor, Custodian (a division of the Supervisor), regulatory costs of the FMA, the mandatory dispute resolution service, the Registry, legal and audit fees, all of which are necessarily incurred to provide the fund to you as an Investor.</p> <p>The amount of these fees cannot be determined until they have been incurred and will vary from time to time.</p>                      |
| <p><b>EXAMPLE OF HOW FEES APPLY TO AN INVESTOR</b></p> | <p>Imran had \$10,000 in the Fund. The starting value of his investment is \$10,000.00. He is charged a membership fee \$32.40 (.324% of \$10,000). This brings the starting value of his investment to \$9967.60. He is also charged management and administration fees, which work out to about \$271.00 (2.71% of \$9,967.60).</p>  |
| <p><b>ESTIMATED TOTAL FEES FOR THE FIRST YEAR</b></p>  | <p><b>Fund Charges                    \$132.00</b></p> <p>See the latest fund update for an example of the actual returns and fees investors were charged over the past year. This example applies only to the Growth Fund. If you are considering investing in other funds or investments options in the scheme, this example may not be representative of the actual fees you may be charged.</p>  |
| <p><b>THE FEES CAN BE CHANGED</b></p>                  | <p>Our fees may change or new fees added, provided the Manager gives you notice. We must publish a Fund update for the fund showing the fees actually charged during the most recent year.</p> <p>Fund updates, including past updates, are available at:<br/> <a href="http://www.always-ethical.com/documents">www.always-ethical.com/documents</a> or at<br/> <a href="https://disclose-register.companiesoffice.govt.nz/">https://disclose-register.companiesoffice.govt.nz/</a></p> |

## 6. WHAT TAXES WILL YOU PAY?

|  |  |                           |       |                                      |       |                              |     |
|--|--|---------------------------|-------|--------------------------------------|-------|------------------------------|-----|
| <p><b>AE KIWISAVER PLAN IS A PIE – PORTFOLIO INVESTMENT ENTITY</b></p> | <p>The amount of tax you pay is based on your prescribed investor rate (PIR).</p> <p>As a guide only for a single income source earner the following table can be used.</p> <table data-bbox="507 1429 1455 1597"> <tr> <td>Income less than \$14,000</td> <td>10.5%</td> </tr> <tr> <td>Income between \$14,000 and \$48,000</td> <td>17.5%</td> </tr> <tr> <td>Income greater than \$48,000</td> <td>28%</td> </tr> </table> <p>To determine your PIR, go to<br/> <a href="https://www.ird.govt.nz/topics/income-tax/typesofincome">https://www.ird.govt.nz/topics/income-tax/typesofincome</a></p> <p>If you are unsure of your PIR, we recommend you seek professional advice or contact the Inland Revenue Department. It is your responsibility to tell AE KiwiSaver Limited your PIR when you invest or if your PIR changes. If you do not tell the Manager, a default rate may be applied. If the rate is lower than correct you will be required to pay the tax shortfall as part of your 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.</p> | Income less than \$14,000 | 10.5% | Income between \$14,000 and \$48,000 | 17.5% | Income greater than \$48,000 | 28% |
| Income less than \$14,000  | 10.5%  |                           |       |                                      |       |                              |     |
| Income between \$14,000 and \$48,000                                   | 17.5%  |                           |       |                                      |       |                              |     |
| Income greater than \$48,000   | 28%  |                           |       |                                      |       |                              |     |

|  |  |
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| <b>7. WHO IS INVOLVED?</b>                                   |  |
| <b>ABOUT AE KIWISAVER PLAN</b>                               | <p>AE KiwiSaver Limited is the Manager of AE KiwiSaver Plan.</p> <p>The Manager is a 90% owned subsidiary of Always-Ethical Limited. AE KiwiSaver Limited has delegated its management functions to Always-Ethical Limited which is also the Manager of AE Investor.</p> <p>You can contact us using any of the following methods – we are always happy to answer any queries you may have:</p>  |
| <b>Contact Us:</b>   | <p><b>PHYSICAL ADDRESS:</b> 443 Lake Road<br/>Takapuna<br/>Auckland 0622</p> <p><b>POSTAL ADDRESS:</b> PO Box 304015<br/>Hauraki Corner<br/>Auckland 0750</p> <p><b>FREEPHONE:</b> 0800 4 262624<br/><b>TELEPHONE:</b> 09 304 0555</p> <p><b>EMAIL:</b> <a href="mailto:info@always-ethical.com">info@always-ethical.com</a><br/><b>WEBSITE:</b> <a href="http://www.always-ethical.com">www.always-ethical.com</a></p> <p>Further information, including the biographies of the directors of Always-Ethical Ltd, is available in the 'other material information' document available on the offer register for the Scheme at: <a href="https://disclose-register.companiesoffice.govt.nz/">https://disclose-register.companiesoffice.govt.nz/</a></p> |
| <b>WHO ELSE IS INVOLVED?</b>                                 |  |
| <b>Trustees Executors Limited</b>                            |  |
| <b>Supervisor and Custodian</b>                              | <p>This company supervises both AE KiwiSaver Ltd, the Manager and AE Investor, it holds all of the assets of both funds independent and separate from the Manager. It is licensed by the Financial Markets Authority to be a supervisor of a MIS fund like AE Investor.</p>  |
| <b>Appello Services Limited (ASL)</b>                        |  |
| <b>Registry and Fund Accounting</b>                          | <p>Provides the Unit Registry functions, pricing, calculating redemption values and performs accounting functions.</p>   |
| <b>8. HOW TO COMPLAIN</b>                                    |  |
| <p>If you have any issues or complaints, please contact:</p> |  |
| <b>Always-Ethical Limited</b>                                |  |

|  |   |
|--|---|
| Postal Address:  | PO Box 304015<br>Hauraki Corner<br>Auckland 0750  |
| Freephone:<br>Telephone:<br>Email:   | 0800 4 262624<br>09 304 0555<br><a href="mailto:info@always-ethical.com">info@always-ethical.com</a>  |
| <b>Trustees Executors Limited</b>  |   |
| Postal Address:  | PO Box 4197<br>Shortland Street<br>Auckland 1010  |
| Freephone:<br>Email:   | 0800 TRUSTEES (0800 878 783)<br><a href="mailto:cts@trustees.co.nz">cts@trustees.co.nz</a>  |
| <b>Financial Dispute Resolution Service</b><br>(Fairway Resolution Limited)  |   |
| Postal Address:  | Freepost 231075<br>PO Box 2272<br>Wellington 6140   |
| Freephone:<br>Telephone:<br>Email:   | 0508 337 337<br>+64 4 381 5047 (International callers)<br><a href="mailto:enquiries@fdrs.org.nz">enquiries@fdrs.org.nz</a><br><br>For details on FDRS go to their website <a href="http://www.fdrs.org.nz">www.fdrs.org.nz</a> . FDRS does not charge any fee to any complainant to investigate or resolve a complaint. |
| <b>9. WHERE TO FIND MORE INFORMATION</b>   |   |
| <p>Further information relating to your investment, such as financial statements, annual reports, the trust deed, and the SIPO for the Scheme, is available on the offer register and the scheme register at:<br/><a href="http://www.business.govt.nz/disclose">www.business.govt.nz/disclose</a> and<br/><a href="http://disclose-register.companiesoffice.govt.nz">http://disclose-register.companiesoffice.govt.nz</a></p> <p>We will provide you with a PIE Tax Statement each year you are a member of the Scheme. This will include the amount of PIE income attributed to you and the amount of PIE tax paid or refunded at your PIR. You will also be asked to confirm your IRD number and PIR.</p> <p>A copy of information on the offer register or scheme register is also available on request to the Registrar of Financial Service Providers using the contact details on:<br/><a href="http://www.business.govt.nz/disclose">www.business.govt.nz/disclose</a> and<br/><a href="https://disclose-register.companiesoffice.govt.nz">https://disclose-register.companiesoffice.govt.nz</a></p> |   |
| <b>10. HOW TO APPLY</b>  |   |
| <p>You begin investing in AE KiwiSaver Plan by completing the application form at the back of this PDS and provide it to us along with the required Identity Documents.</p>  |   |



# APPLICATION FORM

**AE**

**KIWI  
SAVER**

I WISH TO JOIN AE KIWISAVER PLAN AND HAVE READ THE PRODUCT DISCLOSURE STATEMENT (PDS).

## PERSONAL DETAILS:

IRD NUMBER

YOUR IRD NUMBER IS A UNIQUE NUMBER ISSUED TO YOU BY INLAND REVENUE. SEE [WWW.IRD.GOV.T.NZ](http://WWW.IRD.GOV.T.NZ)

TITLE FIRST NAME (AS PER PHOTO ID PROVIDED)

MIDDLE NAME(S) (AS PER PHOTO ID PROVIDED)

LAST NAME (AS PER PHOTO ID PROVIDED)

PLEASE LIST ANY OTHER NAMES YOU ARE KNOWN BY

PHYSICAL ADDRESS (AS PER PROOF OF ADDRESS PROVIDED)

POST CODE

POSTAL ADDRESS

POSTCODE

DATE OF BIRTH (DD/MM/YYYY)

CONTACT PHONE NUMBER (LANDLINE)

MOBILE PHONE NUMBER

EMAIL ADDRESS

PLEASE TICK IF YOU ARE A MEMBER OF ANOTHER KIWISAVER SCHEME

IF NOT PLEASE COMPLETE THE **KS2 FORM** AND GIVE IT TO YOUR EMPLOYER TO START CONTRIBUTING TO YOUR SAVINGS

## PRESCRIBED INVESTOR RATE (PIR): (PLEASE TICK ONE ONLY)

PLEASE SELECT ONE OF THE RATES

10.5%

17.5%

28%

INCOME LESS THAN \$14,000

INCOME BETWEEN \$14,000-\$48,000

INCOME GREATER THAN \$48,000

*A PIR is the tax rate that we calculate the tax on the income we derive from investing your money. Your PIR is based on your taxable income. Please see Section 6 of the Product Disclosure Statement (PDS); or call us or go to [www.ird.govt.nz](http://www.ird.govt.nz)*

## CONTRIBUTION DETAILS:

1. EMPLOYMENT STATUS

EMPLOYED

SELF-EMPLOYED

NOT EMPLOYED

2. OCCUPATION (IF APPLICABLE)

## DECLARATION:

I wish to apply for membership of AE KiwiSaver Plan (the Scheme) for me, or, where indicated, for my child or dependant. I confirm that I have read a copy of the Product Disclosure Statement dated 24 February 2023 and agree to be bound by the terms and conditions of the Product Disclosure Statement and trust deed governing the Scheme. I understand that if I am a member of another KiwiSaver scheme, my balance will be transferred to the Scheme upon acceptance of this application. I understand that the Scheme is a long-term investment vehicle and that investments in the Scheme are subject to investment risk and the value of my investment may rise and fall from time to time. I understand the manner in which fees will be deducted from my investment. I acknowledge that neither the Supervisor nor the Manager will be liable to me for any loss as a consequence of any investment direction given in accordance with the trust deed, and that none of the Manager, Supervisor, Crown or any other person guarantees the performance of the Scheme or the repayment of any money payable by the Scheme. I confirm I meet the eligibility criteria for joining the Scheme as set out on page 4 of the Product Disclosure Statement (under the heading "Joining the Scheme").

## APPLICANT:

SIGNATURE

DATE

NAME (AS PER PHOTO ID PROVIDED)

**PLEASE NOTE: If the applicant is 16 or 17, the applicant and one legal guardian must co-sign. If the applicant is under 16, both legal guardians must sign on behalf of the applicant. Legal guardians must provide supporting identification documents in accordance with the requirements in the guide to joining AE KiwiSaver Plan.**

**PARENT/GUARDIAN:**

SIGNATURE

DATE

NAME

RELATIONSHIP TO APPLICANT

**PARENT/GUARDIAN:**

SIGNATURE

DATE

NAME

RELATIONSHIP TO APPLICANT

## TERMS OF APPLICATION:

**EMAIL CORRESPONDENCE:** By signing this application form, I consent to receive all forms of correspondence via email, or, the online member portal. I also agree to receiving a web link for access to electronic copies of AE KiwiSaver Plan's annual report. **Please ensure you provide a current email address.**

**PRIVACY ACT:** The information you provide us either in this application or in the future may be used by the Manager, the Supervisor and any related entities of either, the Financial Markets Authority (FMA), your financial adviser or the distribution entity through which you joined AE KiwiSaver Plan (if applicable), and by other service providers to AE KiwiSaver Plan to provide services in relation to your investment. You may ask to be shown the information held about you, and if any of the information is incorrect, ask for it to be corrected. On request we will also provide you with the name and address of any entity to which information has been disclosed. If you do not provide the information requested on this application form, we may be unable to process your application.

## MAKING CONTRIBUTIONS:

### EMPLOYED

If you are employed, your regular contributions will be made by your employer. You advise your employer of the contribution rate (options are 3%, 4%, 6%, 8% and 10%). You can also make voluntary contributions directly to us.

### NOT EMPLOYED OR SELF-EMPLOYED

If you are not employed or are self-employed, under 18, retired (and not working), you are not required to make regular contributions but can choose to make voluntary contributions in the following ways:

- Scheduled Automatic Payments from your bank account to us
- One-off payments from your bank account to us
- Cheque
- IRD – using the Pay Tax option on your internet banking. You need to include your IRD number, the tax type 'KSS' and a period '0' (zero):

## AE KIWISAVER PLAN BANK ACCOUNT DETAILS

**ACCOUNT NAME:** AE Nominees Limited  
**ACCOUNT NUMBER:** 12-3198-0066681-02

**Please supply the following details when making a payment :**

**Particulars:** Investor First Name

**Code:** Investor Family Name

**Reference:** IRD number (8 or 9 digits only – no spaces or extra characters)

## SUPPORTING DOCUMENTS:

The Anti-Money Laundering and Countering Financing of Terrorism Act 2009 requires us to verify the identity of new clients and, periodically reconfirm information about existing clients.

If you are unable to provide the required documentation, please contact us 0800 4 262624 or info@always-ethical.com and we will work with you to arrange suitable alternative documentation.

**PERSONS AGED 18 OR OVER:** We will require identity and address verification documents for the applicant.

**PERSONS UNDER 18:** We will require identity and address verification documents for the applicant (if available) and for their parents/guardians who have co-signed the application.

## IDENTITY DOCUMENTS

### PERSONS 18 AND OVER

#### OPTION 1

Passport (pages containing name, date of birth, photograph and signature)

New Zealand driver's licence

### PERSONS 18 AND OVER

#### OPTION 2

Full birth certificate

**Plus one of the following:**

Overseas driver's licence

18+ card

### CHILDREN (UNDER 18)

**One of the following:**

Full birth certificate

Passport

**Plus identification (as per option 1 or 2) for parents/guardians who have co-signed the application.**

**Please note: If you are supplying foreign identity documents you must also supply proof of New Zealand residency.**

## CERTIFYING DOCUMENTS

Please forward your documents to info@always-ethical.com and our staff will contact you and certify the documents. Alternatively: Copies of your identity documents must be legible, and certified by a representative from the Manager or an approved referee.

An approved referee must be at least 16 years of age and one of the following: Police officer, Justice of the Peace, New Zealand registered lawyer, accountant, doctor or teacher, Notary Public or a Member of Parliament who is not related to you or your spouse and does not live at the same address as you. The approved referee must view the original version of the document (not a copy), before writing their name, occupation, date, signature and a statement to the effect that the document is a certified copy of the original document sighted.

## PROOF OF ADDRESS DOCUMENTS

Please provide a copy of one of the following documents dated within the last 6 months (does not need to be certified): Bank Statement, New Zealand Government Department statement or New Zealand utility company statement (i.e. electricity, gas, phone, SKY).

# WHAT HAPPENS NEXT?



**KIWI  
SAVER**

## **CONFIRMATION OF APPLICATION:**

Once we have received your application, we will contact you if we require any further information. If no further information is required, we will send you a welcome letter by email which will also outline your details as we have recorded them in our system.

## **TRANSFERRING FROM ANOTHER KIWISAVER SCHEME?**

If you are already a member of another KiwiSaver scheme, we will arrange with your previous scheme provider to transfer your KiwiSaver savings to AE KiwiSaver Plan. This transfer process may take up to 10 days - this is the maximum period your previous scheme provider has to transfer your savings to your new scheme. Once you join AE KiwiSaver Plan will receive a letter from Inland Revenue which states that you have changed KiwiSaver schemes - this letter only indicates a change in your enrolment and does not necessarily mean that your savings have already been transferred to AE KiwiSaver Plan.

## **CHECKING YOUR ACCOUNT BALANCE**

You are able to check your account balance using our online member portal. We will provide you with your registration details once your application has been processed in our system. We will also send you an annual statement of your account movements by email.

Please remember that contributions processed through Inland Revenue (such as employee and employer contributions) may take up to 3 months to reach your KiwiSaver account, which means that your account balance may not match the amounts contributed from your pay immediately.

## **ANY OTHER INQUIRIES?**

If you have any questions about AE KiwiSaver Plan or Always-Ethical's other products, please do not hesitate to contact us using the details below. If you require assistance with your application, please contact us and we can arrange for a team member to assist you.

# CONTACT US

**ALWAYS-ETHICAL LIMITED**

**FREEPHONE: 0800 4 262624**

**PHONE: +64 9 304 0555**

**EMAIL: [INFO@ALWAYS-ETHICAL.COM](mailto:INFO@ALWAYS-ETHICAL.COM)**

**WEBSITE: [WWW.ALWAYS-ETHICAL.COM](http://WWW.ALWAYS-ETHICAL.COM)**