



AE Investor

Other Material Information

Issued by Always-Ethical Limited

Dated 1 May 2024

This replaces the Other Material Information dated 15 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 <https://disclose-register.companiesoffice.govt.nz/>. *Always-Ethical 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 Trust Management (NZ) Limited"

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1. GENERAL

This document provides material information about AE Investor to help you make an important decision about investing in AE Investor. 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:

<https://disclose-register.companiesoffice.govt.nz> and on our website <https://always-ethical.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 AE Investor, as the context requires;
- the words 'Always-Ethical', 'Manager', 'we', 'us' or 'our' refer, unless the context requires the words to Always-Ethical Limited; and
- where words are defined in the Glossary on page 18, those words have the same meaning wherever they are used in this document.

2. DETAILS OF SCHEME

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

The Manager of AE Investor is Always-Ethical Limited. We are supervised in this role by a licensed supervisor, Trustees Executors Limited ('Supervisor'). The terms of agreement in operating AE Investor are outlined in a trust deed between us, as the Manager, and the Supervisor. The Supervisor is responsible for ensuring that AE Investor's assets are held in accordance with Relevant Law.

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

The money you invest into AE Investor buys you Units in AE Investor. Each Unit that you own is a share of the total value of what AE Investor is worth. As the value of AE Investor'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 AE Investor and not in any particular asset. This means you are not able to request that we transfer to you an asset of AE Investor.

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

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 AE Investor at that time divided by the number of units that have been issued by AE Investor.

STRICT ETHICAL MANDATE

AE Advisory Board

The AE Advisory Board is consulted when reviewing the Strict Ethical Mandate of AE Investor. The AE Advisory Board does not undertake investment selection.

The current members of the AE Advisory Board are philosophical advisors who ensure we meet Islamic Law as required:

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

Further information, including biographies of the members are available on our website:

www.Always-Ethical.com.

The Manger monitors the compliance of the investments daily with the assistance of IdealRatings to ensure they remain compliant. If an investment does not comply with the Strict Ethical Mandate, it is sold on the next trading day. This Strict Ethical Mandate ensures compliance with the AAOIFI standards.

Where investments unwittingly breach the Strict Ethical Mandate, the Manager may make a payment to a recognised charity of the sum that resulted from the breach to purify the breach.

3. WHO IS INVOLVED?

THE MANAGER

The Manager of AE Investor is Always-Ethical 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 AE Investor, our duties include:

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

As Manager, we can 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:

Always-Ethical Limited
PO Box 304015
Hauraki Corner
Auckland 0750

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 Always-Ethical Limited and AE KiwiSaver Limited and has considerable business experience, both in New Zealand and internationally. Gregory is currently a Strategic Advisor to the NZ Police Commissioner (since 2004), Chairman of Quotable Value and a Trustee/Director on the Salvation Army board. 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 of National Mutual Corporate Superannuation Services and is also heavily involved in community issues across New Zealand.

PROFESSOR DR FARUK BALLI

Dr. Balli is a Director of Always-Ethical Limited and AE KiwiSaver Limited. He is a Professor at Massey University School of Economics and Finance. 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 100 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, Tourism Economics and Journal of Economics and Finance. Dr Balli is currently serving as associate editor for Tourism Analysis journal. Dr. Balli has a PhD from the University of Houston.

DENNIS GATES

Dennis Gates is a Director of Always-Ethical Limited and AE KiwiSaver Limited. He is also a Director/Founder of Real Law, which is a specialist marketing company focusing on the needs of small to medium-sized law firms. Dennis, a lawyer with over 30 years' experience, recognized the lack of marketing services in this sector of the lay profession. Combining marketing and IT specialists, Real Law aims to bring all the modes of marketing to its clients. He has since sold his practice, while no longer in practice as a lawyer, Dennis has and does, however bend toward helping the less fortunate in the community. He is still assisting others overcome injustices. Dennis brings very strong electronic marketing, governance and compliance skills to the Board.

DR ANWAR GHANI

Dr Anwar Ghani MNZM, JP, is a Director of Always-Ethical Limited and AE KiwiSaver Limited. He is also a Director of Always-Ethical Limited. Dr Anwar Ghani has held the position of Director for Export, NZ Natural Beef and Lamb Limited, New Zealand Islamic Products & Services Limited. He has also been a Patron of New Zealand Royal College of Police, Ex-President of Federation of Islamic Associations of New Zealand (FIANZ) and holds an excellent track record in Agri-business and Environmental Science.

BRIAN HENRY

Brian is the Founder and Director of Always-Ethical Limited and AE KiwiSaver Limited. He 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.

SUPERVISOR

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

Trustees Executors Limited

Physical Address	Postal Address
Level 11	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 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 a <https://disclose-register.companiesoffice.govt.nz/>.

INDEPENDENCE OF SUPERVISOR AND ANY CUSTODIANS

The Supervisor and Custodian are Trustees Executors Limited, which is independent of the Manager and its employees.

SUPERVISOR AND CUSTODIAN

All Assets of AE Investor are held by the Custodian, their contact details for the Supervisor/Custodian are:

Trustees Executors Limited

Physical Address	Postal Address
Level 9, Spark Central	PO Box 10-519
42-52 Willis Street	Wellington 6143
Wellington 6143	

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

Physical Address	Postal Address
Level 3	PO Box 99029
12 Kent Street	Auckland 1149
Auckland 1023	

Investment management is outsourced to Always-Ethical Limited, the Manager of AE Investor, a registered managed investment scheme. The contact address for Always-Ethical Limited is:

PO Box 304015
Hauraki Corner
Auckland 0750

AUDITOR

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

William Buck Limited

Level 4
21 Queen Street
Auckland 1010

SOLICITORS AND LEGAL ADVISERS

The legal advisers for the Manager are Brian Henry, Barrister and Dentons, Auckland, New Zealand.

The Solicitors to the Supervisor are DLA Piper Minter Ellison Rudd Watts, New Zealand.

4. APPLICATIONS

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

Investment monies received in NZ dollars (greater than \$100.00) will be converted to US dollars (at the conversion rate applicable at the time) and deposited in AE Investor's 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) to pool investment monies for currency transactions. Investors under \$100.00 are held in a cash wallet until the investor has \$100.00 plus to invest.

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

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

IN NZ DOLLARS

Account name: AE Nominees Limited
Account number: 12-3198-0066681-00
Bank: ASB Bank, 12 Jellicoe Street, Auckland 1010, New Zealand

IN US DOLLARS

Account name: AE Nominees 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 Registry determines.

5. WITHDRAWALS

You may withdraw the whole, or part of, your investment at any time by notice in writing to: info@Always-Ethical.com

Your investment may be redeemed in either USD or NZD and deposited to the bank account you instruct.

The redemption value of your investment is calculated by the Registry, which is independent of the Manager. The Registry value is final. When redeeming the whole investment, the Registry calculates and pays all PIE tax due to the IRD. Redeeming the whole investment can take up to 5 working days (T+5). If an urgent redemption is required to the value of 90%, we will be able to pay 90% on the day requested and the balance in 5 days following, as the Registry needs to calculate and pay the investor's PIE tax, prior to completing the full payment.

If at the time of making the application to invest with AE Investor you specified an authorised redemption account, the process of sending you your money is expedited.

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 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 with respect to AE Investor. 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 AE Investor or the payment of any money payable from AE Investor.

6. KEY TERMS OF SCHEME

CHANGING THE TRUST DEED AND SIPO

Subject to the Relevant Law, the Trust Deed may be amended by deed executed by the Manager and the Supervisor, if, in the opinion of the Supervisor, the change is made to correct an error or is of a formal or technical nature, or if the change is necessary or desirable or for safeguarding or enhancing the interests of AE Investor or investors and is not likely to become materially prejudicial to investors

Any proposed amendment to the Trust Deed which materially affects investors must either be approved by the Supervisor as being in the best interests of investors or 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 because 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 approves 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 the Manager of AE Investor under the FMC Act. The Manager is responsible for the following functions in respect of AE Investor:

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

In exercising its powers and performing its duties as Manager of AE Investor, the Manager must always comply 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 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 AE Investor 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 AE Investor unless the Supervisor agrees to the contrary.

Where any vacancy has occurred, the power to appoint a temporary Manager of AE Investor is vested in the Supervisor. Upon any vacancy in the office 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 AE Investor 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 AE Investor 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 AE Investor (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 obligation incurred by or on behalf of AE Investor or any action taken or omitted in connection with AE Investor, then the Supervisor or the Manager (as applicable) is entitled to indemnity and reimbursement out of AE Investor (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 AE Investor (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 AE Investor.

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 AE Investor or paid by cancelling Units in investor accounts.

Management Fee

The current annual fund charges are disclosed in the PDS. We may, at our discretion, waive, reduce or rebate the fund charges currently disclosed in the PDS in relation to a particular investor, category of investors, or particular transaction.

The fund charges may be varied, or new fees imposed, from time to time in accordance with the Trust Deed.

The intention of the Management fee is to meet the operating cost of the Manager providing the product, the Management fee of 1.95% per annum calculated and charged quarterly. The Manager however considers the fund to be an important service to those who want to have savings without incurring interest which their religious beliefs require them to purify the same by donating all interest received to a charity for the poor.

The Manager set up a contribution method of reducing the loss it incurs each quarter, this had issues due to the difficulty of Investors to calculate with uncertainty the cost of the product.

Instead, the Manager has increased the Management fee from 1.25% to 1.95% per annum calculated and charged quarterly.

The extra 0.7% pa is to reduce the Managers loss providing this ethical product.

Once the Manager's funds under management exceed a certain scale, approximately USD120 million, the management fee will reduce by 0.7%.

There are no other fees charged.

REIMBURSEMENT OF COSTS AND EXPENSES

The Manager and the Supervisor are entitled to reimbursement for all reasonable costs and expenses incurred on behalf of AE Investor. These include the costs of preparation of this document and other documents in relation to the offer of the Units in AE Investor, 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 AE Investor on the Disclose website at:

<https://disclose-register.companiesoffice.govt.nz/>

BASIS FOR ESTIMATES OF FUND CHARGES IN PDS

The annual fund charges in the PDS include the fees and an estimate of expenses expected to be charged by AE Investor. The expenses include the monies received that must be purified due to the source not complying with the Strict Ethical Mandate.

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 AE Investor. 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 Strict Ethical Mandate outlined in the SIPO of AE Investor.

VALUATION

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

- Assets of AE Investor valued by the Manager at the current fair market value on such basis that the Manager considers appropriate; and
- income accruing from the assets of AE Investor 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 AE Investor, having regard to generally accepted accounting practice as defined in the Financial Reporting Act 2013 and by deducting from such aggregate the total of; and
- all liabilities of AE Investor determined on such basis as the Manager considers appropriate; and
- any costs, charges, or other amounts incurred or accrued, or which will or may be incurred in holding the assets in AE Investor 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 AE Investor, having regard to generally accepted accounting practice as defined in the Financial Reporting Act 2013.

Every such determination of the value of AE Investor 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

AE Investor 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 AE Investor, which will be referenced in AE Investor's fund updates and fund data available on the Disclose Register:

<https://disclose-register.companiesoffice.govt.nz/>

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 AE Investor in accordance with the Trust Deed shall not render the Manager or the Supervisor liable to account to AE Investor or any investor for any profit or loss arising from any transaction entered in accordance with the Trust Deed.

MATERIAL CONTRACTS

The Manager entered into a support services agreement with 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

AE Investor shall be wound up if:

- the Manager notifies the Supervisor in writing that AE Investor is to be wound up;
- the Supervisor is of the opinion that AE Investor is or will be unable to fulfil its purpose and resolves that AE Investor should be wound up;
- AE Investor ceases to have any beneficiaries and the Supervisor resolves that AE Investor should be wound up;

- the FMA orders that AE Investor be wound up in any of the circumstances specified under the Relevant Law; or
- the winding-up of AE Investor is otherwise required by any law and the Supervisor accordingly resolves that AE Investor should be wound-up.

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

In winding up AE Investor, 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 AE Investor 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 AE Investor's PIE income tax liability (if any), on income attributed to investors.

RECORD KEEPING

The Manager must keep proper accounting records in respect of AE Investor. The Supervisor will provide the Manager with any information held by them that the Manager requires to keep those records. The Manager is also required to keep a register of investors for AE Investor 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 AE Investor.

The Manager and the Supervisor do not accept any responsibility for the taxation implications of your investing in AE Investor. 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 AE Investor.

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

TAX ON INVESTMENT INCOME

AE Investor 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 AE Investor to calculate tax liability attributable to you and other investors for each calculation period (or the date of any movements). AE Investor has also elected to be a foreign investment zero-rate PIE.

AE Investor 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)

For New Zealand resident individuals who provide their IRD number to AE Investor, 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 \$70,000 in total taxable income (combined with PIE income or loss) in either of the last two income years.
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Provided an individual investor has correctly notified the Manager of their PIR, the tax paid by AE Investor 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 AE Investor 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 can elect a PIR of 0%, meaning PIE income attributable to you is not subject to New Zealand taxation.

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, IRD will notify you and the Manager of the correct PIR. In these circumstances, you may have to pay further PIR tax, or may have overpaid, which IRD will factor into your PIR tax assessment. This means you may receive a refund. The PIR you should be on will be displayed in your myIR account.

TAXATION OF AE INVESTOR INVESTMENTS

AE Investor'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, AE Investor is treated as deriving an amount of income equal to 5% of the daily market value of the interests held by AE Investor. 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 (withholding tax) may also be imposed by the overseas jurisdictions in which AE Investor 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 AE Investor will go up and down, so it is possible that you could receive less from AE Investor 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 AE Investor. These risks are explained further below, which also describes further risks that may mean you receive less than you invest in AE Investor.

RISK INDICATOR

The PDS has a Risk Indicator which the Directors have set at risk level 7. This is the highest risk-level on the indicator scale. Under the FMC regulations the PDS risk indicator is set by a 5-year average of the fund's volatility, in AE Investor case this is presently 5.5 to 6.

The Directors when assessing the appropriate risk indicator in the PDS considered that:

- i) The fund is for New Zealand investors (those to whom the PDS is addressed) and has a currency risk. The calculation under the FMC regulations does not reflect this risk.
- ii) The fund cannot hedge currency risk.
- iii) The fund is a pure Equities fund and only invests in equities listed on USA stock exchanges.

In the opinion of the Directors a volatility risk indicator for the fund must be set at 7.

Risk Type	Description of Risk	Risk Management Processes
Investment Management	Our investment management approach may lead us to choosing investments which underperform or may result in us misjudging 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.	We monitor the performance of our investments daily and ensure they abide by the Strict 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	The investments of AE Investor 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 AE Investor.	Investments are diversified, across both asset classes and industries. We monitor the performance of our investments daily. 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.
Currency	AE Investor 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. AE Investor'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.	AE Investor's Strict Ethical Mandate prevents the Manager from using hedging instruments to reduce foreign currency exposure. Investors who are concerned about currency risk may consider the use of hedging instruments as part of their investing activities.
Taxation	AE Investor is a PIE. 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 AE Investor could lose PIE status if there is a breach of those requirements and we do	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 AE Investor. The Manager requests investors to provide their PIR on an annual basis.

	<p>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 AE Investor and/or you.</p> <p>AE Investor is a capital growth fund, its income is deemed under the FIF (Foreign Investment Fund) regime.</p> <p>Taxation laws of the New Zealand jurisdiction are subject to change.</p>	
Strict Ethical Mandate	<p>Investments may, without the Manager's knowledge, breach AE Investor's Strict Ethical Mandate.</p>	<p>The Manager, with the assistance of IdealRatings, monitor all investment activities to ensure they are compliant with the SIPO (and the Strict Ethical Mandate), the relevant Law, the Trust Deed and Offer documents. Compliance with the Strict Ethical Mandate is checked daily and every year is subject to review by our external Auditors.</p>
Strict Ethical Mandate (Purification)	<p>The Manger monitors the compliance of the investments daily with the assistance of IdealRatings to ensure they remain compliant. If an investment does not comply with the Strict Ethical Mandate, it is sold on the next trading day. This Strict Ethical Mandate ensures compliance with the AAOIFI standards.</p> <p>Where investments unwittingly breach the Strict Ethical Mandate, the Manager may make a payment to a recognised charity of the sum that resulted from the breach to purify the breach.</p>	<p>Strict Ethical Mandate Compliance and Purification</p> <p>AE Investor provides an investment solution to investors seeking investments in accordance with our ethical values which are set out in writing in our Strict Ethical Mandate.</p> <p>Compliance with the Strict Ethical Mandate</p> <p>Specifically identified investments are forbidden under the Strict Ethical Mandate. For example, the Strict Ethical Mandate forbids interest bearing investments, such as loans and traditional bond products including derivatives.</p> <p>By adhering to the Strict Ethical Mandate, we remove companies that have over 5% revenue generated from alcohol, tobacco, weapons of war, adult entertainment, gold and silver hedging, pork-related products, leverage, fossil fuel exploration.</p> <p>Any investments that have over 5% revenue generated from forbidden products are sold the next trading day.</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 for the poor. 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>

Market conditions may result in the fund holding cash with interest being received. The interest is not received into the fund account but is donated to the poor.

We hold cash to increase returns to investors by reducing risk.

What is Dividend Purification

Dividend purification is the process of purging any income a company makes from sources that are not non-permissible under the Strict Ethical Mandate. This non-permissible revenue must be less than 5% of a company's total revenue for the company to pass the Strict Ethical Mandate screening. If the investment exceeds this, then it is sold the next trading day.

Example:

ACME Luxury Car company sells cars. It also sometimes helps buyers with temporary car finance.

According to the company's audited financial report, the income breakdown is as follows:

Revenue from sale of cars	\$98.00
Revenue from interest earned from car financing activity	\$ 2.00
Total Revenue	\$100.00

Revenue from car sales: \$98 (98% of revenue) is compliant with the Strict Ethical Mandate.

Revenue from interest earned from car financing: \$2 (2% of revenue) is **NOT** compliant with the Strict Ethical Mandate.

The non-compliant income is 2% of the total income; therefore, investors distribute 2% of the company's dividend to charity for the poor. This is called dividend purification.

Since the non-compliant revenue is less than the 5% threshold, this company is compliant with the Strict Ethical Mandate (provided it passes the financial ratios).

If the revenue received from interest earned from car financing increased to 6.00%, this company would not qualify as being compliant with the Strict Ethical Mandate and the fund would sell the investment the next trading day.

As at the date of this OMI, Purification Donations for the last 6 Financial Years were:

		<table border="1"> <thead> <tr> <th colspan="2">AE Purification</th> </tr> </thead> <tbody> <tr> <td>Purification 2019</td> <td>\$ 6,000.00</td> </tr> <tr> <td>Purification 2020</td> <td>\$ 15,000.00</td> </tr> <tr> <td>Purification 2021</td> <td>\$ 8,662.96</td> </tr> <tr> <td>Purification 2022</td> <td>\$ 2,870.27</td> </tr> <tr> <td>Purification 2023</td> <td>\$ 182,644.48</td> </tr> <tr> <td>Purification 2024</td> <td>\$ 499,836.52</td> </tr> </tbody> </table> <p>As the FUM of the fund grows so will the donations to the poor to ensuring compliance with the Strict Ethical Mandate.</p>	AE Purification		Purification 2019	\$ 6,000.00	Purification 2020	\$ 15,000.00	Purification 2021	\$ 8,662.96	Purification 2022	\$ 2,870.27	Purification 2023	\$ 182,644.48	Purification 2024	\$ 499,836.52
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Purification 2024	\$ 499,836.52															
Stock Turn	<p>Strict compliance with AE Investor's Strict 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 AE Investor with its Strict Ethical Mandate daily. Where the Manager is concerned about the future compliance of the investment, the Manager may prepare to exit the investment in advance.</p>														
Third-party-Brokerage	<p>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 it fails to perform, the risk is limited to that instruction. The brokerage can be readily changed.</p> <p>JB Were (NZ) Ltd has a high reputation as a brokerage house and provides useful trading algorithms to the Manager.</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>														
Liquidity (Our ability to sell Investments)	<p>The ability to sell investments may sometimes be constrained.</p>	<p>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>														
Exit	<p>There is a risk that the Scheme may not be able to meet its obligations to investors when due.</p>	<p>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 Strict Ethical Mandate requires investments to be highly liquid to ensure investors may be repaid when required.</p>														

<p>Operational</p>	<p>AE Investor 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>
<p>Legislative and Regulatory</p>	<p>Your returns may be affected by legislative and regulatory changes both in New Zealand and overseas which may affect AE Investor'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 can fully analyse the effect of any proposed changes to AE Investor, and to notify investors of how this may affect their investment.</p>

9. CONFLICTS OF INTEREST

All assets of AE Investor are held by the Custodian, Trustees Executors Limited (Portfolio Services division). Trustees Executors Ltd is also the Supervisor.

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

The Boards of Directors for AE KiwiSaver Limited and Always-Ethical 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 AE Investor'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 AE Investor are available on the scheme register on the Disclose website:

<https://disclose-register.companiesoffice.govt.nz/>.

AE Investor's financial statements are audited by a qualified auditor, 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.	Liabilities: Debts and other obligations of the Supervisor and the Manager payable from AE Investor or any particular investment fund (as applicable) including all tax and duties payable from AE Investor but excluding contingent liabilities and PIE tax except to the extent the Manager decides an allowance should properly be made therefore.
AE Investor: A managed investment scheme registered under the FMC Act.	Manager: Always-Ethical Limited.
Always-Ethical Limited: The Manager of AE Investor, a registered managed investment scheme.	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 AE Investor can be obtained from the offer registration the Disclose website https://disclose-register.companiesoffice.govt.nz/ .
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.	PIE: A portfolio investment entity as defined in section YA1 of the Income Tax Act 2007.
Auditor: William Buck Ltd, Auckland.	Prescribed Investor Rate (PIR): PIR has the meaning given to that term by section YA1 of the Income Tax Act 2007.
Authorised Investments: For AE Investor, 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 AE Investor's Strict Ethical Mandate.	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).
Custodian: Trustees Executors Limited, Wellington.	Register: The register of investors maintained by the Manager under the Trust Deed.
Custodian's Nominee: AE Nominees Limited	Registrar: Appello Services Limited.
Directors: The Directors of Always-Ethical Limited, unless otherwise stated.	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 AE Investor 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.
Establishment Deed: A deed to establish an investment fund under the Trust Deed.	Scheme: AE Investor.
Strict Ethical Mandate: The restricted investment mandate of AE Investor, as outlined in the current SIPO.	SIPO: Statement of Investment Policy and Objectives.
FMA: Financial Markets Authority, the government agency responsible for regulating capital markets and financial services in New Zealand.	Supervisor: Trustees Executors Limited, Auckland.
FMC Act: The Financial Markets Conduct Act 2013.	Trust Deed: The Trust Deed for AE Investor.
FMC Regulations: The Financial Markets Conduct Regulations 2014.	Unit: A unit in AE Investor.
Investor: An investor in units of AE Investor.	