

28 November 2024

# New Zealand Retirement Trust

## Other Material Information

This document provides additional information about the AMP New Zealand Retirement Trust (Scheme) managed by AMP Wealth Management New Zealand Limited (AMP) – both the Workplace Savings Section and the Personal Superannuation Section. The Scheme is governed by a trust deed between AMP and Public Trust (Supervisor) dated 18 June 2020 as amended from time to time (Trust Deed).

The Other Material Information (OMI) document should be read with the relevant Product Disclosure Statement (PDS) for the Workplace Savings Section or the Personal Superannuation Section. There are two PDS for the Workplace Savings Section – one for the AMP funds and one for the Third Party funds. There are also two PDS for the Personal Superannuation Section – one for the AMP funds and one for the Third Party funds.

Specific details about how to invest in the Workplace Savings Section or the Personal Superannuation Section of the Scheme are set out below. Following that is general information about the Scheme that are applicable to both the Workplace Savings Section and the Personal Superannuation Section.



*A little help.*



# Contents

	Page
1. How this investment works	3
2. Funds and market indexes	14
3. Sustainable investment philosophy	17
4. Risks	18
5. Fees and other charges	22
6. Tax	25
7. Who is involved?	28

# 1. How this investment works

## NZRT Workplace Savings

The information in this section describes how you and your employer make contributions to the Workplace Savings Section of the Scheme as well as information on how you can withdraw. Any information on contributing, withdrawing, and insurance that is specific to your Employer Plan will be set out in your Member Booklet. The information in this section of the document only applies to the Workplace Savings Section, and different requirements will apply to members of other sections of the New Zealand Retirement Trust (NZRT).

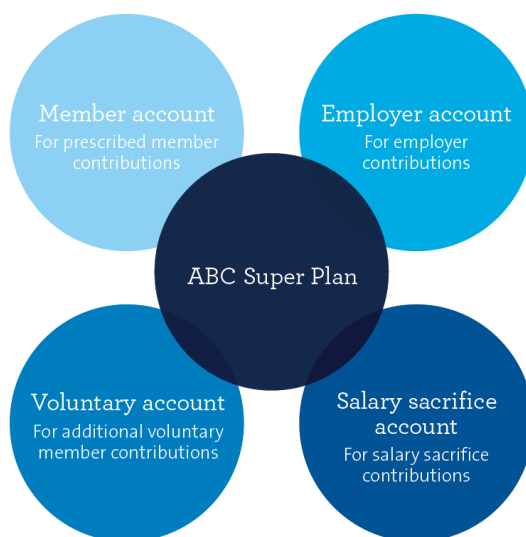
### Contributions

#### Member contributions

Your employer will generally have rules around how much you need to contribute. Your Member Booklet provides specific details for your Employer Plan.

Each employer can have up to four accounts for each employee. These accounts include:

- **Member account:** for contributions that your employer may require you to make.
- **Voluntary account:** for additional voluntary member contributions by you.
- **Employer account:** for employer contributions.
- **Salary sacrifice account:** for salary sacrifice contributions.



The table below sets out further information on the accounts used for the types of contributions that can be made for the Workplace Savings Section.

Type of contributions	How do I make these contributions?	Which account do these contributions go to?
Minimum member contributions	Your employer deducts your contributions from your annual earnings each pay day and forwards them to us.	Member account
Employer contributions	Generally, your employer will make contributions to your retirement savings (see below for more information). Your Member Booklet will give you further information on how much your employer contributes for you.	Employer account
Voluntary member contributions via your pay (if allowed)	If you want to contribute at a higher rate than the required rate, please let your employer know. Refer to your Member Booklet to see if this is available to you.	Voluntary account or member account – check your Member Booklet for details
Regular voluntary contributions (if allowed)	Regular voluntary contributions can be made by direct debit. <b>How to set up a direct debit</b> To set up a direct debit, complete the Direct Debit Authority which is available at <a href="http://amp.co.nz/forms">amp.co.nz/forms</a> . <b>Frequency</b> Choose between weekly, fortnightly, four-weekly, monthly or annually. <b>Minimum amount</b>	Voluntary account

Type of contributions	How do I make these contributions?	Which account do these contributions go to?
	There is currently no minimum amount if you set up a direct debit with us. Refer to your Member Booklet to see if this is available to you.	
Lump-sum voluntary contributions (if allowed)	<p><b>How to make a voluntary lump-sum contribution</b></p> <p>You can make a voluntary lump-sum contribution directly to AMP by internet banking. To do this enter 'AMP NZ Retirement Trust' - we are pre-registered so our account details will load automatically. Call us if you don't have internet banking.</p> <p><b>Frequency</b></p> <p>As often as you like.</p> <p><b>Minimum amount</b></p> <p>There is currently no minimum amount if you wish to make a lump sum contribution.</p> <p>Refer to your Member Booklet to see if this is available to you.</p>	Voluntary account
Salary sacrifice (if allowed)	<p>Your employer may agree to reduce your annual earnings and credit this reduction (after tax) to your salary sacrifice account.</p> <p>Refer to your Member Booklet to see if this is available to you.</p>	Salary sacrifice account

For contribution purposes, your annual earnings figure is generally your wage or salary, and can sometimes include other things such as bonuses. Annual earnings for your Employer Plan are defined in your Member Booklet.

### Employer contributions

Your employer will generally make contributions towards your retirement savings and these contributions will be made to your employer account. To find out how much your employer contributes refer to your Member Booklet.

Employer contributions will generally stop when you reach your normal retirement age (which is set out in your Member Booklet) unless your employer agrees otherwise with you. Talk to your employer or Adviser to know what happens at your particular workplace.

All employer contributions are subject to Employer Superannuation Contribution Tax (ESCT). Your Member Booklet will tell you whether ESCT is deducted from your employer contributions or whether your employer pays ESCT on top of those contributions.

Your employer can choose to suspend or stop its contributions at any time as long as they tell you and us.

### When you leave your employer

When you leave your employer, unless your Member Booklet states otherwise, we'll normally transfer your membership to Your Plan (formerly known as My Super). This means that you can continue saving for your retirement in the Workplace Savings Section.

The table below outlines how you can make contributions if you are in Your Plan.

Type of contributions	How do I make these contributions?	Which account do these contributions go to?
Regular contributions	<p>Regular voluntary contributions can be made by direct debit.</p> <p><b>How to set up a direct debit</b></p> <p>To set up a direct debit, complete the Direct Debit Authority which is available at <a href="http://amp.co.nz/forms">amp.co.nz/forms</a>.</p> <p><b>Frequency</b></p> <p>Choose between weekly, fortnightly, four-weekly, monthly or annually.</p> <p><b>Minimum amount</b></p> <p>There is currently no minimum amount if you set up a direct debit with us.</p>	Member account
Lump-sum contributions	<p><b>How to make a voluntary lump-sum contribution</b></p> <p>You can make a voluntary lump-sum contribution directly to AMP by internet banking.</p> <p>To do this enter 'AMP NZ Retirement Trust' – we are pre-registered so our account details will load automatically. Call us if you don't have internet banking.</p> <p><b>Frequency</b></p> <p>As often as you like.</p> <p><b>Minimum amount</b></p> <p>Each payment must be at least \$50.</p>	Member account

## Withdrawals

### Withdrawals after normal retirement age

When you reach your normal retirement age (generally age 65), unless your Member Booklet states otherwise, you can withdraw the full balance of all your accounts (less all taxes, fees and insurance premiums owing). On retiring you can also choose to leave your savings in the Workplace Savings Section (as outlined above) until you need them, or set up a regular withdrawal so that you have a regular income.

Withdrawal type	How to make the withdrawal
Regular withdrawals	<b>How to set up regular withdrawals</b>
	Complete the 'Withdrawal' form at <a href="http://amp.co.nz/forms">amp.co.nz/forms</a>
	<b>Frequency</b> Choose from fortnightly, monthly or quarterly.
	<b>Minimum amount</b> Each regular withdrawal must be at least \$250.
Lump-sum or full withdrawal	<b>How to withdraw a lump-sum or full withdrawal</b>
	Complete the 'Withdrawal' form at <a href="http://amp.co.nz/forms">amp.co.nz/forms</a>
	<b>Frequency</b> As often as you like.
	<b>Minimum amount</b> Each lump-sum withdrawal must be a minimum of \$500.

After you make a lump sum withdrawal you must generally keep a minimum balance of \$1,000 or such other amount that is determined by us from time to time, in any of your accounts. If you make a withdrawal and it results in your account falling below \$1,000, or such other amount as determined by us from time to time, we may treat it as a full withdrawal and your membership in the Workplace Savings Section will end.

If you have transferred UK sourced pension funds into a NZRT Qualifying Recognised Overseas Pension Scheme (**QROPS**) account, additional withdrawal rules may apply to you. In addition to meeting your employer plan's withdrawal criteria you will need to meet those set by the UK regulator His Majesty's Revenue and Customs (**HMRC**). Please talk to your Adviser to see how this will impact you.

### When you leave your employer before retirement

When you leave your employer, you can generally decide what to do with your retirement savings.

Ordinarily we'll transfer your share of the employer account, voluntary account and salary sacrifice account to your member account and your membership will move to the Your Plan section.

From there, you can then either withdraw the full balance of your member account (less all taxes, fees and insurance premiums owing), or you can choose to stay in Your Plan.

### Withdrawals from Your Plan

In Your Plan you can withdraw some or all of your savings at any time. The table above under the 'Withdrawal after normal retirement age' section setting out how to make withdrawals also applies to withdrawals from Your Plan.

Following a withdrawal you generally need to keep a minimum overall balance of \$1,000 or such other amount that is determined by us from time to time in your account. If a withdrawal will result in your Your Plan account balance falling below \$1,000 we may treat it as a full withdrawal and your membership in the Workplace Savings Section will end.

### Withdrawal before normal retirement age

In certain circumstances you may be able to make an early withdrawal.

The table below sets out the withdrawal types that may be available to you, and if you have insurance cover, the withdrawal may include an insurance payment.

Please check your Member Booklet for the withdrawal conditions and insurance cover that your employer is offering you under its plan. All withdrawals are paid less any tax, fees and insurance premiums that are owing.

Early withdrawal type	What savings will you be able to withdraw	What insurance cover you will receive
Full or partial access	Some employers allow you to withdraw some or all of your savings while you are still in employment. Check your Member Booklet to see if this applies to you.	N/A
Early retirement	Your employer may allow you to retire before your normal retirement age. This includes retiring early due to ill-health. Check your Member Booklet to see if you have this option. For early retirement you can withdraw the full balance of all your accounts subject to any requirements set out in your Member Booklet.	N/A

Early withdrawal type	What savings will you be able to withdraw	What insurance cover you will receive
First home withdrawal	You may withdraw from the Employer Plan part or all of your accounts (subject to the minimum withdrawal requirements) less all taxes, fees and insurance premiums (if any) owing if the Manager is satisfied that (based on whatever evidence it may reasonably have required) you intend to purchase an estate in land in a circumstance where, if you were a member of a KiwiSaver scheme, the withdrawal would be permitted under the KiwiSaver first home withdrawals rules.  Please check your Member Booklet to see if you can apply for a first home withdrawal.	N/A
Significant financial hardship	If we are reasonably satisfied that you're suffering, have suffered, or are likely to suffer from significant financial hardship, then you can withdraw some or all of your savings.	N/A
Total and permanent disablement	If we are satisfied that you are suffering from total and permanent disablement we'll approve a withdrawal and then you can withdraw the full balance of your accounts.	If you have life and total and permanent disablement cover, we'll add your insurance benefit to your member account.  Once we've paid this, we'll cancel any insurance cover you have through the Workplace Savings Section.
Terminal illness	If we are satisfied that you have been diagnosed with a terminal illness we'll approve the request and then you can withdraw the full balance of your accounts (as well as any insurance payment received from the insurer).	If you have life cover or life and total and permanent disablement cover, we'll add your insurance benefit to your member account.  Once we've paid this, we'll cancel any insurance cover you have through the Workplace Savings Section.
Death	The full balance of all your accounts will be paid to: – your personal representative (i.e. the executors or administrators of your estate); or – a permitted recipient (i.e. the beneficiary of your estate) if the recipient meets the requirements of the Administration Act 1969 and the amount of the savings is less than \$15,000.  If you have any insurance then the amount paid will include any insurance payment received from the insurer.	If you have life cover or life and total and permanent disablement cover, your personal representative will receive your insurance payment received from the insurer.
Release of funds required under other enactments	We must comply with the provisions of any enactment that requires us to release funds from the Workplace Savings Section in accordance with that enactment.  Such a requirement to release funds from the Workplace Savings Section under any enactment includes a requirement by order of a court, including a property sharing order made under the Property (Relationships) Act 1976.	N/A

There may be restrictions, exclusions or special conditions on your insurance cover. See below for more information. Except for withdrawals on the grounds of early retirement, significant financial hardship, terminal illness, or total and permanent disablement, you will need to maintain the minimum balance referred to under 'Withdrawal after normal retirement age' above.

### How long does it normally take to receive my withdrawal?

Once we have all the information we need and your withdrawal has been approved, you'll normally receive your money into your nominated bank account within eight working days (although withdrawals can be deferred in some circumstances in accordance with the Trust Deed). Withdrawal fees may apply for the Declared Rate Fund.

### Transfers to the Workplace Savings Section

You may be able to transfer from other retirement schemes, whether they are personal superannuation schemes or a workplace savings plan that you've had with an old employer. These schemes may have restrictions on transfers.

For more information, contact your current scheme provider, talk to your Adviser or call us on **0800 800 267**.

### Transfer from the Workplace Savings Section

#### Transferring ownership of your savings in the Workplace Savings Section

Units in the NZRT cannot be assigned, charged, or borrowed against, unless we agree.

## Transfers to another retirement scheme

If you leave your current employer and start work with another employer offering membership to a workplace savings scheme, you may be able to transfer your savings to that scheme. You may also be able to transfer to another Employer Plan within the Workplace Savings Section, or to another retirement scheme. We will need to agree to this.

If you are eligible to make a full withdrawal of your contributions from the Workplace Savings Section, you may also be able to transfer your savings to an equivalent overseas retirement scheme, KiwiSaver scheme, workplace savings scheme, or superannuation scheme.

An **equivalent overseas retirement scheme** means any trust or other arrangement established in a country other than New Zealand that:

- has the purpose of providing retirement benefits directly or indirectly to individuals; or
- has the purposes of providing:
  - retirement benefits directly or indirectly to individuals; and
  - benefits to eligible individuals on ceasing employment or engagement with a contributor or a related body corporate of a contributor (whether immediately on ceasing that employment or engagement, or subsequently).

For the purposes of that definition, a scheme may be considered to be for the purpose of providing retirement benefits even if it permits redemptions, withdrawals, or the provision of benefits in limited circumstances (provided that those permitted redemptions, withdrawals, and benefits are incidental or secondary to the purpose of providing retirement benefits).

To find out more about transferring your savings, contact your Adviser or call us on **0800 800 267**.

## Insurance offerings

If insurance is a feature of your Employer Plan, you may be eligible for either life insurance, or life and total and permanent disablement insurance through your membership in the Workplace Savings Section. For details of any insurance that may be on offer to you, refer to your Member Booklet.

If your employer isn't offering insurance through its Employer Plan, insurance through the Workplace Savings Section isn't available to you.

When you apply for insurance through your membership in the Workplace Savings Section we may ask you to complete a questionnaire, called a Personal Statement, on the state of your health. As a result of the Personal Statement, the insurer might include restrictions, exclusions or special conditions on your insurance cover.

If you have life insurance or life and total and permanent disablement insurance cover under your Employer Plan, we'll give you a temporary cover called 'Accidental Death' as soon as you become a member of the Workplace Savings Section. This cover is a restricted version of the full cover. Cover is provided free of charge for up to 90 days. We'll let you know when your full cover starts.

### How much cover will I get and what are the premiums?

Depending on how your insurance is set up in your Employer Plan, the level of cover you will receive and the monthly premium you pay will vary. The level of cover and monthly premium is determined when you join the Workplace Savings Section and updated each Employer Plan Year at your Employer Plan review date.

There are options for insurance cover which are set by your employer. Your Member Booklet will provide details of the insurance cover (if any) for your Employer Plan.

In your Employer Plan or Your Plan (see below), when you turn 60, your insurance cover may decrease as you get older and will end when you turn 65.

To check the current levels of cover and premiums, download the NZRT insurance premiums document from [amp.co.nz/forms](http://amp.co.nz/forms), call us on **0800 800 267** or simply check your annual statement.

### When does the insurance end?

Your insurance cover in your Employer Plan or Your Plan will end if you:

- or your employer (as applicable) don't pay a premium (and it remains unpaid for one calendar month);
- leave the Workplace Savings Section unless you want to continue cover in another AMP product (see below);
- turn 65; or
- receive an insurance payment from your cover.

### What happens when I leave my employer?

When you leave your employer, we'll generally transfer you to Your Plan. If you are transferred to Your Plan, you are unable to continue any total and permanent disablement cover you had in place under your Employer Plan.

In Your Plan, any life insurance cover you had as part of your Employer Plan can be continued at the same monthly premium (or a lesser monthly premium if you previously held both life cover and total and permanent disablement cover). However, after joining Your Plan the level of life cover will change based on your age. Your insurance continues without you having to provide any further evidence of health. You'll pay your premiums out of your Your Plan account. You can cancel your cover at any time.

### What happens when I leave the Workplace Savings Section?

If you have life insurance, your life insurance through the Workplace Savings Section ends. If you are under 65, you can apply for the same level of life insurance cover in another AMP product within two months of leaving the Workplace Savings Section. You can do this without having to provide any further evidence of health.

## Changes to your investment

### What changes you can make

What do you want to change?	How to do this?
Changes to your contribution rate or make extra payments	<p>If you want to increase your contributions above the required minimum, talk to your employer to find out if this is permissible.</p> <p>While you're a member of your Employer Plan you generally can't reduce your contribution rate to less than your required rate set out in your Member Booklet.</p> <p>If you're a member of Your Plan or of an Employer Plan that allows additional contributions, remember that you can also make extra payments via direct debit or lump-sum payments (refer to the member contributions section above).</p>
Changes to direct debit payments	<p>If you're making direct debit payments, you can change the frequency and/or amount of your direct debits at any time.</p> <p>You can also set up a new direct debit at any time if you're a member of Your Plan or voluntary member payments are allowed in your Employer Plan.</p> <p>To change the amount or frequency, just email or call us on <b>0800 800 267</b>.</p> <p>To change the bank account, please fill out a new Direct Debit Authority available at <a href="http://amp.co.nz/forms">amp.co.nz/forms</a>.</p>
Changes to your choice of funds	<p>You can easily switch your savings between funds that are available to you.</p> <p>You can also change funds by leaving your existing balance (and earnings on that balance) in your current fund and redirecting future contributions to another fund available to you.</p> <p>You can do this on My AMP, which you can access on <a href="http://online.amp.co.nz">online.amp.co.nz</a>.</p> <p>A switch fee may apply, see the 'Fees and other charges' section of this OMI for more information. Switches can be deferred in the same way as withdrawals (as outlined above).</p>
Updates to your personal details	<p>Please make sure you tell us when your personal details change, such as your address or prescribed investor rate.</p> <p>You can do this on My AMP, which you can access on <a href="http://amp.co.nz">amp.co.nz</a>.</p>

### Changes we can make

#### *Changes to benefits*

We can provide extra or different benefits as long as we agree them with you.

#### *Terminating your employer's plan*

We can terminate your Employer Plan on three months written notice to you and your employer if:

- your employer doesn't comply with any information requests we make that allow us to administer the Workplace Savings Section properly, comply with legislation or comply with the Trust Deed; or
- we consider that terminating the plan would be necessary or expedient for the proper administration of the Workplace Savings Section. If there is no money left in the Employer Plan, we can terminate it by writing to your employer.

### Changes your employer can make

#### *Changes to your Employer Plan*

Your employer can agree with us to make changes to your Employer Plan at any time. Any changes to the rules of your employer's plan needs to comply with the Financial Markets Conduct Act 2013 (**FMCA**) which limits the type of changes that can be made without your consent.

#### *Discontinuing your Employer Plan*

Your employer can end its participation in the Workplace Savings Section at any time. This would mean that the Employer Plan that you belong to may be discontinued. If your Employer Plan is discontinued, we'll add your employer account, your salary sacrifice account and your voluntary account to your member account and you will be transferred to Your Plan. If there is extra cash in your Employer Plan, you may get a share of this which will also be transferred to your member account.



## NZRT Personal Superannuation

The information in this section describes the general information on how you can manage your investment in the New Zealand Retirement Trust – Personal Superannuation Section, including contributions, withdrawal, transfers, and changes.

If you are invited to join the Personal Superannuation Section, with the help of your Adviser, you will need to decide which membership is suitable for your needs.

If you wish to transfer UK sourced funds to the NZRT, then you will need to become a QROPS member.

If you wish to contribute to your retirement through NZRT, then you will need to become a personal member. You can also choose to be both a personal and a QROPS member. Depending on your membership, different rules may apply.

This information describes the general information on the differences between the memberships in NZRT, how you and your employer (if applicable) make contributions to, withdraw from and make transfers to/from this Section.

The information in this section of the document only applies to the Personal Superannuation Section, and different requirements will apply to members of other sections of the NZRT.

### Contributions

#### Member contributions

You generally contribute to the Personal Superannuation Section by:

- a lump sum deposit or direct debit, if you are a personal member; or
- transfer of UK pension savings if you are a QROPS member only.

UK pension savings will go into your QROPS account (which is a sub-account within your member account in the Personal Superannuation Section). All other contributions will go into your member account.

Your accounts will be set up upon application. This means that if you have only joined the Personal Superannuation Section as a QROPS member, you will need to fill out a personal member application form before you or your employer can make contributions to the Personal Superannuation Section.

Details on how you contribute are set out in the table below.

Type of contributions	How do I make these contribution
Regular contributions*	<p>Regular contributions can be made by direct debit.</p> <p><b>How to set up a direct debit</b></p> <p>To set up a direct debit, complete the Direct Debit Authority which is available at <a href="http://amp.co.nz/forms">amp.co.nz/forms</a></p> <p><b>Frequency</b></p> <p>Choose between weekly, fortnightly, four-weekly, monthly or annually.</p> <p><b>Minimum amount</b></p> <p>There is currently no minimum amount if you set up a direct debit with us.</p>
Lump-sum contributions*	<p><b>How to make a voluntary lump-sum contribution</b></p> <p>You can make a voluntary lump-sum contribution directly to AMP by internet banking. To do this enter 'AMP NZ Retirement Trust' – we are pre-registered so our account details will load automatically. Call us if you don't have internet banking.</p> <p><b>Frequency</b></p> <p>As often as you like.</p> <p><b>Minimum amount</b></p> <p>There is currently no minimum amount if you wish to make a lump sum contribution.</p>
UK pension transfers	These will be generally transferred directly by your UK pension provider or QROPS provider following your request.

\*You and your employer currently cannot make regular or lump-sum contributions into your QROPS account

#### Employer contributions

Your employer may make contributions towards your retirement savings depending on the arrangement you have with them. Any employer contributions will be made to your member account.

Your employer may set up a direct debit to make regular contributions to your NZRT account. Your employer can choose to suspend, stop or alter its contributions at any time depending on the arrangement you have with them.

ESCT is deducted from all employer contributions by your employer before they are transferred to your account.

As noted above, your employer cannot contribute to your QROPS account.

#### QROPS Transfers

The Scheme is a QROPS, which means that it can receive UK pension transfers.

A UK overseas transfer charge will apply if you are not a New Zealand tax resident when you transfer UK sourced pension funds to NZRT:

- from a UK registered pension scheme; or
- from another QROPS if the transfer to NZRT is made within five full UK tax years of the date of the original transfer out of a UK registered pension scheme (the five year period), and the original transfer was requested after 9 March 2017.

The charge is 25% of the amount of your UK sourced pension funds transferred (excluding returns). This charge can be deducted, in the case of a transfer, from the transferred amount by the scheme from which you are transferring, or by us from funds held in your QROPS Account in NZRT if your tax residency changes while you are a member (see below).

If a transfer has not been previously subject to this charge, the charge would also arise if you cease, within the five year period, to be New Zealand tax resident while the UK sourced pension funds continue to be invested in NZRT, provided your original transfer was requested after 9 March 2017.

If you subsequently become New Zealand tax resident within the five year period, it may be possible for the charge to be reimbursed.

Any UK pension or QROPS transfers will be held in your QROPS account. If you wish to transfer your UK pension to the Scheme and then want to continue to contribute to your retirement savings whilst working in New Zealand, you will need to establish another account through either:

- the Workplace Savings Section of the Scheme, if your employer has a plan through the Scheme; or
- the Personal Superannuation Section of the Scheme, if you are a personal member.

If you do establish another account, or if you already have another account with the Scheme, this will also be subject to the QROPS Rules, in addition to the other account rules, which means you will be able to make a withdrawal from that account only once you are entitled to make a withdrawal from your QROPS account. This is because when you are a QROPS member any withdrawals from your other NZRT accounts are deemed under the QROPS Rules to be a withdrawal from your QROPS account.

Your Adviser will be able to provide you with more information on which account is available to you.

## Withdrawals

### Withdrawals after retirement

The Personal Superannuation Section is a superannuation scheme under the FMCA so unless you qualify for one of the early withdrawals set out below you will not be able to make a withdrawal until you reach the end payment date or a date after that date.

The end payment date is the earlier of:

- the date on which you reach the New Zealand superannuation qualification age (currently age 65); or
- the date that is 5 years before the date referred to above if you meet the requirements for permanent early retirement.

You will meet the requirement of ‘permanent early retirement’ if the Supervisor is reasonably satisfied that you have:

- permanently retired from business or employment; and
- reached an age that is 5 years before the New Zealand superannuation qualification age.

On retiring you can also choose to leave your savings in the Personal Superannuation Section until you need them, or set up a regular withdrawal so that you have a regular income or make a full withdrawal.

If you have transferred UK sourced pension funds into the Personal Superannuation Section, then different withdrawal rules and restrictions will apply to you (see section ‘Withdrawal of UK sourced pension funds’ below for more information).

Withdrawal type	How to make the withdrawal
Regular withdrawals	<b>How to set up regular withdrawals</b>
	Complete the ‘Withdrawal’ form at <a href="http://amp.co.nz/forms">amp.co.nz/forms</a>
	<b>Frequency</b> Choose from fortnightly, monthly or quarterly.
	<b>Minimum amount</b> Each regular withdrawal must be at least \$250.
Lump-sum or full withdrawal	<b>How to withdraw a lump-sum or full withdrawal</b>
	Complete the ‘Withdrawal’ form at <a href="http://amp.co.nz/forms">amp.co.nz/forms</a>
	<b>Frequency</b> As often as you like.
	<b>Minimum amount</b> Each lump-sum withdrawal must be a minimum of \$500.

After you make a lump sum withdrawal you must generally keep a minimum balance of \$1,000 or such other amount that is determined by us from time to time, in any of your accounts. If you make a withdrawal and it results in your account falling below \$1,000, or such other amount as determined by us from time to time, we may treat it as a full withdrawal and close your account in the Personal Superannuation Section.

## Withdrawals before retirement

Early withdrawals are permitted in some circumstances. These are set out below. If you have a QROPS account these may not apply to you, see 'Withdrawal of UK sourced pension funds' below.

Withdrawal type	What savings will you be able to withdraw
Significant financial hardship	If the Supervisor is reasonably satisfied that you are suffering or are likely to suffer from significant financial hardship, then you may withdraw some of your savings. The amount of that significant financial hardship withdrawal may, subject to the Supervisor's approval (see below), be up to the full value of your account. All reasonable alternative sources of funding must have been explored and have been exhausted before applying to withdraw and the withdrawal may be limited to an amount required to alleviate the particular hardship. You must complete the 'significant financial hardship' withdrawal form which can be found on the AMP website at <a href="http://amp.co.nz/forms">amp.co.nz/forms</a> (and contains further details).
Serious illness	If the Supervisor is reasonably satisfied you are suffering from serious illness then you may, on application to the Supervisor, make a serious illness withdrawal. The amount of your serious illness withdrawal may be up to the value of your account. The Supervisor may require medical evidence in relation to your application for withdrawal. A serious illness withdrawal form is available upon request.
Transition to retirement	<p>If the Supervisor is reasonably satisfied that you qualify to receive a transition to retirement benefit then you may, on application to the Supervisor, commence transition to retirement withdrawals. The Supervisor will need to be reasonably satisfied that you have reached an age that is 10 years before the New Zealand superannuation qualification age and the withdrawals are to be made through periodic payments that relate to each other and are made over an identifiable period of time in accordance with the NZRT trust deed.</p> <p>The maximum amount you can withdraw every year will be calculated in accordance with the superannuation scheme rules set out in the Financial Markets Conduct Regulations 2014.</p> <p>The Supervisor may also require documents in support of the application. Refer to the 'Withdrawal' form on the AMP website at <a href="http://amp.co.nz/forms">amp.co.nz/forms</a> for further details.</p>
Death	<p>In the event of your death, we will:</p> <ul style="list-style-type: none"><li>– on application by your personal representative (i.e. the executors or administrators of your estate), pay to that person the full value of your account at the date on which the application is accepted as part of your estate; or</li><li>– on application by a permitted recipient (i.e. the beneficiary of your estate), if that recipient meets the requirements of the Administration Act 1969, we will pay to that person the benefit or withdrawal provided the amount of the savings is less than \$15,000 (currently the prescribed maximum amount under NZ law).</li></ul> <p>The Manager may also require documents in support of the application. Refer to the 'Deceased member withdrawal' form on the AMP website at <a href="http://amp.co.nz/forms">amp.co.nz/forms</a> for further details.</p>
Release of funds required under other enactments	<p>We must comply with the provisions of any enactment that requires us to release funds from the Personal Superannuation Section in accordance with that enactment.</p> <p>Such a requirement to release funds from the Personal Superannuation Section under any enactment includes a requirement by order of a court, including a property sharing order made under the Property (Relationships) Act 1976.</p>

## Withdrawals of UK sourced pension funds

If you have transferred UK sourced pension funds into the Personal Superannuation Section, then different early withdrawal criteria will apply to you. In particular, you will not be able to make a significant financial hardship or serious illness withdrawal if that withdrawal does not comply with the below restrictions.

Under HMRC rules, you generally cannot make a withdrawal from your QROPS account in the Personal Superannuation Section until you reach the normal minimum pension age (NMPA) in the UK (currently age 55, increasing to 57 on 6 April 2028) unless you meet the early withdrawal conditions set out below.

Once you reach the NMPA in the UK, if you wish to receive your retirement benefit you will need to advise us. Your benefit can be paid either:

- by lump sum only; or
- by regular instalments only; or
- as a combination of regular instalments and a lump sum.

If you have a 'protected pension age' you may not be affected by the increase in NMPA in the UK set to occur on 6 April 2028. For you to have a protected pension age under the QROPS Rules all the following must be met:

- before 4 November 2021 you had the right to take a pension or lump sum, or both, before you reached age 57;
- that right was unqualified, in that you don't need anyone's consent to take your benefits; and
- on 11 February 2021 the scheme rules included provision to pay benefits before age 57 (which is the case for NZRT).

If you meet all of these criteria, we recommend you discuss the implications for your personal situation with a financial adviser.

Your overall benefit is calculated as the balance of your QROPS account, less all applicable taxes and fees (if any) owing at the date of commencement of any payment.

To receive your benefit, you must complete the 'withdrawal form' which is available from your Adviser or by calling us on **0800 800 267**.

*Early withdrawals for UK sourced pension funds*

In limited circumstances, you may be able to make an early withdrawal from your QROPS account.

We recommend that you speak with your Adviser if you want to make withdrawals from your QROPS account.

There is the potential for a UK unauthorised payment charge of 40%, and an unauthorised payment surcharge of an additional 15%, to be charged on UK-sourced pension funds transferred to a non-QROPS, or on payments to you from your QROPS account if those payments are not authorised by UK legislation. These charges potentially apply if, when you make the transfer or withdrawal:

- you have been a UK tax resident at any time within the current or preceding 10 UK tax years, or 5 years for persons who transferred their UK pension money outside the UK before 6 April 2017; or
- the original transfer out of a UK registered pension scheme occurred within five UK tax years of the proposed transfer or withdrawal (for persons who transferred their UK pension money outside the UK on or after 6 April 2017), (whichever is later).

#### *Death*

In the event of your death, we will:

- on application by your personal representative (i.e. the executors or administrators of your estate), pay to that person the full value of your account at the date on which the application is accepted as part of your estate; or
- on application by a permitted recipient (i.e. the beneficiary of your estate), if that recipient meets the requirements of the Administration Act 1969, we will pay to that person the benefit or withdrawal provided the amount of the savings is less than \$15,000 (currently the prescribed maximum amount under NZ law).

The Manager may also require documents in support of the application. Refer to the 'Deceased member withdrawal' form on the AMP website at [amp.co.nz/forms](http://amp.co.nz/forms) for further details.

#### **How long does it normally take to receive my withdrawal?**

Once we have all the information we need and your withdrawal has been approved, you'll normally receive your money into your nominated bank account within eight working days (although withdrawals can be deferred in some circumstances in accordance with the Trust Deed). However, if we accept a QROPS transfer that is subject to additional specific withdrawal restrictions, then you will only be able to withdraw the transferred amounts in compliance with those restrictions.

Withdrawal fees may apply for the Declared Rate Fund.

#### **Other important information relating to UK sourced pension funds**

We may take all steps and do all things (including imposing additional terms and conditions on payments from your QROPS account) as we consider necessary or desirable from time to time at our complete discretion in order to maintain the Scheme's status as a QROPS.

As the Scheme is a QROPS, we must report to HMRC any payments (including transfers) from your QROPS account until:

- a) you have been a non-UK tax resident for ten consecutive UK tax years prior to the payment(s); and
- b) there has been a period of at least 10 years from the date of your original transfer from a UK registered pension scheme.

By transferring your UK sourced pension funds to the Personal Superannuation Section, you agree to provide information we may request from you for reporting to, and you authorise us to provide any personal and other information to, HMRC.

There is the potential for a UK unauthorised payment charge of 40%, and an unauthorised payment surcharge of an additional 15%, to be charged on UK sourced pension funds transferred to a non-QROPS, or on payments to you from your QROPS account if those payments are not authorised by the QROPS rules.

These charges are unlikely to arise so long as the Scheme maintains its QROPS status and we ensure that payments made to you are authorised by the QROPS Rules (but we provide no warranty and do not indemnify you against these charges should they arise for any reason).

If you also have a balance in any other account in the Scheme, in addition to the other account rules, you will be able to make a withdrawal from that account only when you are entitled to make a withdrawal from your QROPS account.

The QROPS requirements and restrictions may change from time to time pursuant to (and in order to comply with) UK and/or New Zealand regulations.

## Transfer to the Personal Superannuation Section

### Transfers sourced from UK pension schemes

The Scheme is a QROPS as at the date of this document, which means that you may be able to transfer UK sourced pension funds either directly from the UK or from another QROPS, or former QROPS to the Personal Superannuation Section. However, if you transfer any UK sourced pension funds to the Personal Superannuation Section, then you will be subject to additional terms and conditions which include the QROPS Rules and those described in the 'Other important information relating to UK sourced pension funds' section above. This may affect your ability to access any other balances you have in the Personal Superannuation Section or the Scheme from time to time. We recommend that you seek independent UK and New Zealand tax advice before you make a transfer.

#### *Tax on foreign superannuation*

The New Zealand tax rules generally crystallise a New Zealand tax liability when savings are withdrawn or transferred from foreign superannuation schemes (other than from Australian superannuation schemes). You should seek New Zealand tax advice to understand how the rules apply to you and whether any exemptions are available.

### Other transfers to the Personal Superannuation Section

You may also be able to transfer from other retirement schemes, whether they are personal superannuation schemes or a workplace savings plan. These schemes may have restrictions on transfers.

For more information, contact your current scheme provider, talk to your Adviser or call us on **0800 800 267**.

## Transfers from the Personal Superannuation Section

### Transferring ownership of your savings in the Personal Superannuation Section

Units in the NZRT cannot be assigned, charged, or borrowed against, unless we agree. In addition, subject to the Trust Deed and except as required by law, a member cannot not assign, mortgage, charge, alienate, or otherwise pass to any other person any of their rights, interest or benefits or borrow against their interest in the Scheme (and, if a member does so, those rights, interest or benefits will be forfeited to the Manager).

### Transfers to another retirement scheme

You cannot transfer UK sourced funds unless the scheme you wish to transfer to, at the date of request, meets the QROPS requirements as determined by us. For any other transfer we must, if the other scheme indicates it will accept the applicant as a member, transfer the member's accumulation to the other scheme.

## Changes to your investment

### What changes you can make

What do you want to change?	How to do this?
Changes to direct debit payments	<p>If you're making direct debit payments, you can change the frequency and/or amount of your direct debits at any time.</p> <p>You can also set up a new direct debit at any time.</p> <p>To change the amount or frequency, just email or call us on <b>0800 800 267</b>.</p> <p>To change the bank account, please fill out a new Direct Debit Authority available at <a href="http://amp.co.nz/forms">amp.co.nz/forms</a>.</p>
Changes to your choice of funds	<p>You can easily switch your savings between funds that are available to you.</p> <p>You can also change funds by leaving your existing balance (and earnings on that balance) in your current fund and redirecting future contributions to another fund available to you.</p> <p>You can do this on My AMP, which you can access on <a href="http://online.amp.co.nz">online.amp.co.nz</a>.</p> <p>A switch fee may apply, see the 'Fees and other charges' section of this OMI for more information. Switches can be deferred in the same way as withdrawals (as outlined above).</p>
Updates to your personal details	<p>Please make sure you tell us when your personal details change, such as your address or prescribed investor rate.</p> <p>You can do this on My AMP, which you can access on <a href="http://online.amp.co.nz">online.amp.co.nz</a>.</p>

### Changes we can make

#### *Changes to benefits*

We can provide extra or different benefits as long as we agree them with you.

## 2. Funds and market indexes

This section sets out the funds in the Scheme and the market indexes that provide independent benchmarks against which the performance of each fund can be assessed.

### AMP funds

The AMP funds are:

Single Sector Funds^	Diversified Funds^
<ul style="list-style-type: none"> <li>– AMP Cash Fund</li> <li>– AMP NZ Fixed Interest Fund</li> <li>– AMP Global Fixed Interest Fund</li> <li>– AMP Australasian Shares Fund</li> <li>– AMP International Shares Fund and AMP International Shares Fund No. 2</li> </ul>	<ul style="list-style-type: none"> <li>– AMP Conservative Fund</li> <li>– AMP Moderate Fund</li> <li>– AMP Moderate Balanced Fund</li> <li>– AMP Balanced Fund, AMP Balanced Fund No. 2 and AMP Balanced Fund No. 3</li> <li>– AMP Growth Fund</li> <li>– AMP Aggressive Fund</li> </ul>

^Fund managers take different approaches to how they manage investments. These approaches can be broadly categorised as either Active or Index. An active management approach involves a lot of buying and selling of investments with the goal of beating the market. Index management minimises buying and selling, instead it looks to match market performance over the long term by constructing portfolios that track a benchmark index. The AMP funds use a mainly index, management strategy. More information on our investment offer can be found at [amp.co.nz/transforming-amp](http://amp.co.nz/transforming-amp).

The AMP funds use a composite benchmark to compare their performance to. A composite benchmark is used when funds invest into a variety of different asset classes, such as fixed interest, shares and property. It combines a portion of each asset classes' index return, based on how much each asset class makes up of the whole fund, to get the total benchmark return.

The Scheme's Statement of Investment Policy and Objectives (SIPO) provides a detailed breakdown of the benchmarking indices and weightings for the AMP funds and is available from the AMP website at [amp.co.nz/forms](http://amp.co.nz/forms) and at [disclose-register.companiesoffice.govt.nz](http://disclose-register.companiesoffice.govt.nz).

Asset Class	Benchmark Description
Cash and cash equivalents	<p><b>Wholesale Single Sector Fund</b> - AMP Wholesale Cash Fund</p> <p><b>Benchmark name</b> - Bloomberg NZBond Bank Bill Index</p> <p><b>Description</b> - Industry standard NZ cash benchmark. The index is engineered to measure the New Zealand money market by representing a short-term money market portfolio.</p>
	<p><b>NZ Bonds</b></p> <p><b>Wholesale Single Sector Fund</b> - AMP Wholesale NZ Sovereign Bond Fund</p> <p><b>Benchmark name</b> - Bloomberg NZBond Treasury 0+ Yr Index</p> <p><b>Description</b> - This index is engineered to measure the market of securities issued by the New Zealand Government.</p>
New Zealand fixed interest (NZ Bonds, NZ Inflation Linked Bonds and NZ Corporate Bonds)	<p><b>NZ Inflation Linked Bonds</b></p> <p><b>Wholesale Single Sector Fund</b> - AMP Wholesale NZ Inflation Linked Bond Fund</p> <p><b>Benchmark name</b> - Bloomberg NZBond Infl 0+ Yr Index</p> <p><b>Description</b> - This index is engineered to measure the market of inflation-linked securities issued by the New Zealand Government.</p>
	<p><b>NZ Corporate Bonds</b></p> <p><b>Wholesale Single Sector Fund</b> - AMP Wholesale NZ Corporate Bond Fund</p> <p><b>Benchmark name</b> - Bloomberg NZBond Credit 0+ Yr Index</p> <p><b>Description</b> - This index is engineered to measure the market of New Zealand corporate/credit securities.</p>

Asset Class	Benchmark Description
<p>International fixed interest (Global Bonds, Global Fixed Income High Yield, and US Inflation Linked Bonds)</p>	<p><b>Global Bonds</b></p> <p><b>Wholesale Single Sector Fund</b> - AMP Wholesale Global Bond Fund</p> <p><b>Benchmark name</b> - Bloomberg MSCI Global Aggregate ESG-Weighted Index (100% hedged to NZD)</p> <p><b>Description</b> - This index uses MSCI ESG ratings to reweight the existing Bloomberg parent index towards higher-rated ESG securities. The use of the parent index, Bloomberg Global Aggregate, is industry standard. The benchmark is fully hedged to NZ dollars.</p> <p><b>Global Fixed Income High Yield</b></p> <p><b>Wholesale Single Sector Fund</b> - AMP Wholesale High Yield Bond Fund</p> <p><b>Benchmark name</b> - Bloomberg Global High Yield Corporate DM Index (100% hedged to NZD)</p> <p><b>Description</b> - The Global Corporate High Yield Index is a sub-component of the Global High Yield Index. Securities must be rated as BB+ or below. A limited number of unrated securities are included. The maturity level is set at least 1-year. The benchmark is fully hedged to NZ dollars.</p> <p><b>US Inflation Linked Bonds</b></p> <p><b>Wholesale Single Sector Fund</b> - AMP Wholesale US Inflation Linked Bond Fund</p> <p><b>Benchmark name</b> - FTSE US Inflation-Linked Securities Index (100% hedged to NZD)</p> <p><b>Description</b> - The US Inflation-Linked Securities index measures the total return performance of US Inflation-Linked bonds. The benchmark is fully hedged to NZ dollars.</p>
<p>Australasian equities (NZ equities and Australian equities)</p>	<p><b>NZ Equities</b></p> <p><b>Wholesale Single Sector Fund</b> - AMP Wholesale New Zealand Equities Fund</p> <p><b>Benchmark name</b> - S&amp;P/NZX 50 Index Gross with Imputation</p> <p><b>Description</b> - Industry standard NZ equities benchmark. The index is designed to measure the performance of the 50 largest, eligible stocks listed on the Main Board (NZSX) of the NZX by floated-adjusted market capitalisation. Representative, liquid, and investable. The index is float-adjusted, covering approximately 90% of the New Zealand equity market capitalisation and includes imputation credits.</p> <p><b>Australian Equities</b></p> <p><b>Wholesale Single Sector Fund</b> - AMP Wholesale Australian Equities Fund</p> <p><b>Benchmark name</b> - MSCI Australian Shares All Cap 300 ex Select GICS ex Select Securities Custom ESG 100% Hedged to NZD Index</p> <p><b>Description</b> - A custom index calculated by MSCI based on applying the securities exclusions provided by the Manager to the parent index, the MSCI Australian Shares All Cap 300 Index. The benchmark is fully hedged to NZ dollars.</p>
<p>International equities – Developed markets (Global Equity)</p>	<p><b>Wholesale Single Sector Fund</b> – AMP Wholesale Global Equities Fund</p> <p><b>Benchmark name</b> – MSCI World ex Select Countries &amp; GICS ex Select Securities Custom ESG Enhanced Focus 60% Hedged to NZD Index</p> <p><b>Description</b> – A custom index calculated by MSCI based on applying the securities exclusions provided by the Manager to the parent index, the MSCI World Index. This Index uses MSCI ESG ratings to reweight the existing parent index towards higher-rated ESG securities. Using the parent index for a benchmark, MSCI World, is industry standard. The benchmark is 60% hedged to NZ dollars.</p>
<p>International equities – Emerging Markets</p>	<p><b>Wholesale Single Sector Fund</b> – AMP Wholesale Emerging Markets Fund</p> <p><b>Benchmark name</b> – MSCI Emerging Markets ex Select GICS ex Select Securities Custom ESG Index</p> <p><b>Description</b> – A custom index calculated by MSCI based on applying the securities exclusions provided by the Manager to the parent index, the MSCI Emerging Markets Index. Using the parent index for a benchmark, MSCI Emerging Markets, is industry standard.</p>

Asset Class	Benchmark Description
Other - Infrastructure	<p><b>Other - Direct Infrastructure</b></p> <p><b>Wholesale Single Sector Fund</b> - AMP Wholesale Global Climate Fund</p> <p><b>Benchmark Name</b> - No Index</p> <p><b>Description</b> - Due to the specialised nature of the investment strategy of this Fund, no appropriate market index or peer group index exists. If an appropriate market index or peer group index becomes available, this will be reviewed and updated accordingly.</p>
	<p><b>Other - Listed Infrastructure</b></p> <p><b>Wholesale Single Sector Fund</b> - AMP Wholesale Global Listed Infrastructure Fund</p> <p><b>Benchmark Name</b> - STOXX Global Smart City Infrastructure Index</p> <p><b>Description</b> - An index that tracks the performance of companies that deploy the physical structures and facilities needed as urban development becomes more intelligent and efficiency-focused. It is a targeted investment in sustainable smart city infrastructure – a long-term structural trend. The index is also taking ESG considerations into account. The benchmark is unhedged to NZD.</p>

## Third party funds

The third party funds are:

Other Diversified Funds^	Other - Managed Fund Policy^
<ul style="list-style-type: none"> <li>– Global Select Conservative Fund</li> <li>– Global Select Balanced Growth Fund</li> <li>– Global Select Growth Fund</li> <li>– Mercer Balanced Fund</li> <li>– Milford Conservative Fund</li> <li>– Milford Balanced Fund</li> <li>– Milford Active Growth Fund</li> <li>– Milford Aggressive Fund</li> <li>– SuperLife Moderate Fund</li> <li>– SuperLife Balanced Fund</li> <li>– SuperLife Growth Fund</li> </ul>	<ul style="list-style-type: none"> <li>– Declared Rate Fund</li> </ul>

For all other Funds, performance is assessed against the indices listed in the Scheme's SIPO. The SIPO provides a detailed breakdown of the benchmarking indices and weightings for the third party funds and is available from the AMP website at [amp.co.nz/forms](http://amp.co.nz/forms) and at [disclose-register.companiesoffice.govt.nz](http://disclose-register.companiesoffice.govt.nz).

^Fund managers take different approaches to how they manage investments. These approaches can be broadly categorised as either Active or Index. An active management approach involves a lot of buying and selling of investments with the goal of beating the market. Index management minimises buying and selling, instead it looks to match market performance over the long term by constructing portfolios that track a benchmark index. More information on our investment offer can be found at [amp.co.nz/transforming-amp](http://amp.co.nz/transforming-amp).

## Changes to Funds

Under the Trust Deed, AMP can establish separate funds within the Scheme (**Funds**) for investors to invest in, and can set rules regulating conditions for choosing funds (such as the maximum number of funds an investor can choose or the minimum amounts that need to be invested in a fund). The terms and conditions of each Fund include the written SIPO for the Scheme, which sets out how we invest each Fund's assets.

The names of the Funds established within the Scheme are listed above. Further details of each can be found in the SIPO and most recent quarterly fund updates. A copy of the SIPO for the Scheme and those fund updates are available on the AMP website at [amp.co.nz/forms](http://amp.co.nz/forms).

AMP can close, wind up, or alter any fund on any terms and conditions we think fit, subject to providing prior written notice to the Supervisor in accordance with the Trust Deed.



# 3. Sustainable investment philosophy

AMP has a sustainable investment philosophy based on a framework of principles aligned to our values but designed to continue to produce returns in line with or better than a traditional market index. This framework aims to reflect the sustainability values of our customers and the broader market.

AMP's Sustainable Investment Philosophy applies to AMP funds – where AMP is directly responsible for managing the funds. Third party funds are approved by AMP's Investment Committee (being the AMP Wealth Management New Zealand Investment Committee) as being appropriate for the Scheme and align with the Scheme's overarching objectives and philosophy. However, those third party funds adhere to their own particular sustainability philosophies as set out in their scheme statements of investment policy and objectives or, in the case of the Global Select funds, at [amp.co.nz/gssi](https://amp.co.nz/gssi).

AMP's Sustainable Investment Philosophy is based on four key pillars:

## 1. Support the good

A key part of integrating ESG factors into our decisions is that our investments in corporate bonds and equities are more exposed to less carbon-intensive sectors (such as information technology and financials), and less exposed to the sectors that are more carbon-intensive (such as energy).

In addition, for our index-managed funds, we have a preference to select indexes that seek to overweight exposures to companies with higher ESG ratings. We review the performance of these indexes and the evolution of other ESG indexes regularly.

## 2. Avoid the bad

Avoiding the bad at AMP means excluding companies' that are involved in controversial activities. For example, we exclude all companies involved in oil and gas exploration, production, refining, transportation and/or storage. Our view on 'controversial activities' is based off what we believe are the strongest values of our customers, as well as considering other consumer research that is conducted in New Zealand.

## 3. Reduce our carbon footprint

We believe that one of the biggest challenges facing the world today is the impact on our environment – particularly from climate change. AMP's strongest focus is around the environment, and in particular, climate change. We believe that climate risk is an investment risk, therefore an approach to investment management that considers the climate impact is important. That is why AMP has committed to reaching net zero greenhouse gas (GHG) emissions across our investment portfolios by 2050 or sooner, to manage our exposure to potential climate risk.

## 4. Advocate for change

As a large investment provider, it is important to use our voice to influence positive change. There are two key ways we can use our voice to advocate for positive change. These are:

a. Influencing the companies that we invest into (stewardship): Our stewardship approach has two key aspects:

(1) voting through shares held; and

(2) engagement with companies which we apply to AMP-branded funds via an investment partner (BlackRock) exercising these rights on behalf of us (or in consultation with us).

Our investment partner believes that companies that take into consideration ESG risks and opportunities are better positioned to deliver long-term value.

b. Influencing the wider industry: We are committed to joining wider initiatives and focus groups to increase positive industry engagement outcomes. Our current initiatives include the Responsible Investment Association of Australasia (RIAA), the Science Based Targets Initiative (SBTi), the Net Zero Asset Managers' Initiative and the United Nations Principles for Responsible Investment (UN PRI).

For more information please see [amp.co.nz/si](https://amp.co.nz/si).

## 4. Risks

The risks described in this section should be read in conjunction with the specific risks set out in the relevant PDS.

### Risks and your investment

The following is a summary of the most important risks, other than those already set out in the PDS, applying to the Scheme that could impact the level of return from your investment or the ability to recover the full amount of your investment in the Scheme.

General investment risks regarding asset allocation, market, currency, interest rate, credit, and liquidity are set out in the PDS. Further details regarding asset allocation risk as well as counterparty risk are set out in the table below. Additional tables set out further general investments risks and other specific risks.

### General investment risks

Returns and risks vary, depending on the type of asset invested in. The underlying assets of the various Funds within the Scheme will rise and fall in value, and returns may be negative from time to time. Market volatility may affect the investment performance of some of the Funds. Returns are not guaranteed and you may get more or less than the total amount contributed when you leave the Scheme.

Generally, the level of risk is related to the potential return from the investment. Lower risk investments, such as cash and fixed interest (known as 'income assets'), typically provide more consistent yet lower returns. Higher risk investments, such as property and equities (known as 'growth assets'), have the potential to fluctuate significantly in value with a greater possibility of a negative return. Generally, a fund with a higher allocation to growth assets has the potential for higher returns over the long term than a fund with a higher allocation to income assets.

Risk	Description of the risk	How we mitigate or manage these risks
Asset allocation risk	<p>Each investment sector has risks that are typical of that sector. The key risks of each investment sector are:</p> <p><b>Cash</b></p> <p>The main risk with cash is that inflation will erode value. Where cash assets included in a Fund are placed on bank deposit there is also a small risk of the bank defaulting, meaning that some or all of the cash may be lost. Funds with greater exposure to cash assets will be more affected by this risk.</p> <p><b>Fixed interest</b></p> <p>For any particular fixed interest security, changes to interest rates in the market affect its value and there is the risk of the borrower not making the interest payments and/or not repaying the loan. Funds with greater exposure to fixed interest assets will be more affected by this risk.</p> <p><b>Property</b></p> <p>There is the possibility of financial loss occurring as the result of owning any real estate investment. The value of property investments may be affected by demand, location, the quality of the property, market conditions, interest rates, opinion and the market for property investments. Funds with greater exposure to real property assets will be more affected by this risk.</p> <p><b>Equities</b></p> <p>The value of an individual share is influenced by many factors including the performance of the relevant company, market opinion and the economic performance of the country or sector. Funds with greater exposure to shares will be more affected by this risk.</p>	<p>We manage this risk in the single sector funds by investing across different investments within that asset class and for the diversified funds we manage this risk by investing across different asset classes as well as investing across different investments within each asset class. We regularly monitor and review the investment performance and investment options. We also utilise investment research and other tools to provide recommendations on underlying fund managers, where applicable</p>
Counterparty risk	<p>The risk that a party to a financial contract (including an investment contract) defaults or is otherwise unable to fulfil their obligations. If this occurs, the full amount of the investment may not be recovered.</p>	<p>We mitigate this risk by vetting and dealing with reputable parties, including investment and administration managers as well as brokers.</p>

<b>Fund of funds risk</b>	<p>The Funds invest in other funds. An underlying fund manager of a Fund may close its investment fund without notice, or on limited notice, and this may result in investments being held in cash, pending the replacement of the underlying fund manager. Similarly, an underlying fund manager may close its investment fund to new applications, resulting in investments also being held in cash.</p> <p>The decisions made by the underlying fund managers will have an impact on your ability to withdraw, transfer to another KiwiSaver Scheme or switch between Funds.</p>	<p>We monitor and review the investment performance, compliance and contractual arrangement of the underlying fund managers quarterly.</p> <p>When selecting an underlying fund manager, we undertake a due diligence and approval process. We also utilise investment research and other tools to provide recommendations on underlying fund managers, where applicable.</p>
---------------------------	---	---

<b>Service Provider risk</b>	<p>The risk that if any of the parties involved in the operation of the Scheme (including the Supervisor, AMP, AMP Services (NZ) Limited (<b>AMP Services</b>), BlackRock Investment Management (Australia) Limited (<b>BlackRock</b>)<sup>1</sup> and underlying fund managers) fail to perform their obligations, it could adversely affect investors of the Scheme. In addition, employers are responsible for collecting contributions from investors together with any employer contributions. There is a risk that an employer will fail to pass these contributions on.</p>	<p>We actively monitor and review the performance of those that are involved in providing the product to ensure compliance with contractual arrangements and investment strategy guidelines.</p>
------------------------------	--	--

## Other general risks

The value of your investment, and your ability to withdraw, may also be affected by some or all of the following risks. The table below sets out the other risks that may affect any of the Funds:

Risk	Description of the risk	How we mitigate or manage these risks
<b>Operational risk</b>	<p>The risk of a technological, process, or other failure affecting the Scheme's operations or the financial markets in general. Such a risk could impact your returns or ability to withdraw from the Funds.</p>	<p>We have a risk management framework that encompasses a business continuity plan, which is designed to minimise the period of business disruption caused by these unforeseen events and address such failures in a timely and effective manner.</p>
<b>Regulatory risk</b>	<p>The risk that the Scheme is affected by future changes to tax, financial markets, or other legislation (whether in New Zealand or overseas) which could affect the Scheme's investments by impacting on the operation of the Scheme, returns.</p>	<p>We actively monitor new developments to the regulatory environment. Furthermore, we regularly liaise with other market participants and the regulators to gauge market sentiment for change.</p>
<b>Risk of losing PIE tax status</b>	<p>The Scheme is structured as a single PIE for tax purposes. Accordingly, there is a risk in respect of the Scheme that, if a Fund fails to satisfy PIE eligibility criteria and that failure is not remedied all Funds may lose PIE status and revert to a scheme taxed at a flat rate of 28%, rather than at your own prescribed investor rate. A loss of PIE tax status for the Scheme could impact the returns to the investor.</p>	<p>We have implemented processes to monitor ongoing PIE eligibility compliance within each Fund, and proactively manage this risk.</p>
<b>Risk of restrictions of withdrawals, transfers or switches</b>	<p>There is a risk that we may defer withdrawals, transfers from the Scheme or switches between Funds if we determine that, having regard to the realisation of assets required in order to give effect to the switch, giving effect to the withdrawal, transfer or switch earlier would be imprudent or impracticable. Any such deferral will restrict your ability to withdraw, transfer to another scheme or switch between Funds.</p>	<p>We actively monitor the underlying funds into which the Funds invest in so that we are aware of any changes and we can change the underlying funds we invest in at any time.</p>
<b>Insolvency risk</b>	<p>The risk that the Scheme or a Fund becomes insolvent and is placed into receivership, liquidation or statutory management, making it unable to meet its financial obligations. then you may not recover the full amount of your investment in the Scheme. If you have a QROPS</p>	<p>We mitigate this risk by ensuring that each Fund primarily invests in liquid assets.</p>

<sup>1</sup> BlackRock® is a registered trademark of BlackRock, Inc. and its affiliates ("BlackRock") and is used under license. BlackRock makes no representations or warranties regarding the advisability of investing in any product or the use of any service offered by AMP Wealth Management New Zealand Limited. BlackRock has no obligation or liability in connection with the operation, marketing, trading or sale of any product or service offered by AMP Wealth Management New Zealand Limited.

account, any withdrawal of funds from the Scheme on insolvency may be subject to UK tax liability.

<b>Scheme liquidity risk</b>	The risk that the Scheme cannot meet payments on time. This arises where there is a mismatch between the maturity profile of investments and the amount required to meet withdrawal requests. Such liquidity risk would restrict your ability to withdraw, transfer to another scheme or switch between Funds.	We mitigate this risk by ensuring that the Funds in the Scheme primarily invest in liquid assets. The asset holdings of the Funds are generally invested across different asset classes and/or different investments within an asset class.
<b>Borrowing risk</b>	The risk that where borrowing has occurred in relation to a Fund, the lender would have the right to demand payment from that Fund at short notice. If there are insufficient assets in the Funds to repay the loan, the assets of other Funds in the Scheme could be used to meet the repayment.	We mitigate this risk by limiting borrowings of the Funds except to provide liquidity for the repayment or redemption of any units and by investing in assets that are generally liquid in nature under ordinary circumstances.
<b>Single trust fund risk</b>	Although separate Funds have been established within the Scheme, the assets of the Scheme comprise a single trust fund. If the assets of a particular Fund are insufficient to meet the liabilities attributable to that Fund, the assets of any other Fund may be called on to meet those liabilities.	We mitigate this risk by ensuring separate accounting records are kept for each Fund and ensuring that the majority of Fund expenses are calculated as a portion of the Fund's value.

## Other specific risks

The information in this section forms part of each PDS for the Scheme. It describes the other specific risks that we are aware of in relation to the Scheme that exist or that may arise which increase the risk to investors' returns, other than circumstances that are already reflected in the risk indicator, or that are disclosed in the PDS.

Risk	Description of the risk	How we mitigate or manage these risks
<b>Risk of QROPS Rules applying to other accounts in the Scheme</b>	The risk that more restrictive requirements will apply to a member's account in the Scheme if they have a QROPS account. Under the QROPS Rules, the 'first dollar' rule applies, which means that any withdrawals from the Scheme is considered to be a withdrawal from QROPS funds first, therefore all accounts will be affected by QROPS Rules until you are entitled to make a full withdrawal from your QROPS account.	We actively monitors and reviews new account requests to determine whether a Scheme account is subject to QROPS Rules and manages the member's understanding of this risk.
<b>Concentration risks</b>	The single sector funds are concentrated in a particular asset class and are not diversified across multiple asset classes. At any given point, market conditions that cause one asset class to perform well may cause another asset class to perform poorly. This could result in negative or lower than expected returns for the single sector funds compared to funds which are diversified across multiple asset classes.	AMP offers a range of single sector funds within the Scheme. Therefore, investors can reduce their exposure to concentration risk by investing in a range of single sector funds.  We recommend you speak to a financial adviser prior to making a fund selection to understand the appropriate fund choice for you.
<b>Deferred withdrawal and switches</b>	Withdrawals and switches from the Declared Rate Fund may be deferred in certain circumstances. Resolution Life Australasia Limited ( <b>Resolution Life</b> ) sets aside funds ( <b>reserves</b> ) during periods of high returns on the underlying assets of the fund, to draw upon during low or negative return periods. This is designed to smooth out the actual investment returns of the assets to provide a stable return for the fund. If market conditions change, the actual return of the assets of the Declared Rate Fund may be lower than the returns of the fund. AMP may decide to defer withdrawals and switches from the Declared Rate Fund if allowing these payments to be made is considered to be detrimental to remaining members. If this occurs this will impact your ability to withdraw your savings from the Declared Rate Fund or switch between funds.	Resolution Life monitors and reviews the reserves of the fund to avoid the need for AMP to defer withdrawals.

## Other specific risks - Workplace Savings Section PDS

The information in this section forms part of the PDS documents for the Workplace Savings Section. It describes the other specific risks in relation to the offer contained in those PDS that we are aware of in relation to the Scheme that exist or that may arise which increase the risk to investors' returns, other than circumstances that are already reflected in the risk indicator, or that are disclosed in the PDS or set out above.

Risk	Description	Impact of the risk	How we mitigate or manage these risks
<b>Risk of employer failing to pass on contributions</b>	Employers are responsible for collecting contributions from investors and passing them to us, together with any employer contributions. There is a risk that an employer will fail to pass this on.	If an employer fails to pass contributions on to us, it could adversely affect some or all of the investors employed by that employer.	AMP actively monitors contributions received from employers to ensure compliance with this obligation.

## Other specific risks - Personal Superannuation Section PDS

The information in this section forms part of the PDS documents for the Personal Superannuation Section. It describes the other specific risks in relation to the offer contained in those PDS that we are aware of in relation to the Scheme that exist or that may arise which increase the risk to investors' returns, other than circumstances that are already reflected in the risk indicator, or that are disclosed in the PDS or set out above.

Risk	Description	Impact of the risk	How we mitigate or manage these risks
<b>Risk of losing QROPS status</b>	The risk that the Scheme could lose QROPS status at any time.	If QROPS status is lost, a QROPS investor's UK tax implications may change in relation to their QROPS account balance and/or any future transfers of UK sourced pension fund made by them to the Scheme.	We actively monitor new developments in the QROPS environment. We have implemented processes to monitor ongoing compliance for QROPS, and proactively manage this risk.
<b>Risk of UK tax implications for QROPS Members</b>	The risk that a QROPS member may be deemed to have a UK tax liability in the event of a withdrawal from NZRT.	HMRC may impose an unauthorised payment charge of up to 55% on UK sourced pension funds transferred to a non-QROPS, or on payments to you from your QROPS account if those payments are not authorised by the UK legislation. All withdrawals are deemed to be made first from your QROPS account for these purposes.	AMP provides no warranty and does not indemnify you against these charges should they arise. We recommend that you seek independent UK and New Zealand tax advice before you make a transfer or withdrawal to determine whether you will be subject to UK tax liability.

## 5. Fees and other charges

This section provides additional information on fees and other charges relating to the Funds offered in the Scheme.

If you are an investor in the Workplace Savings Section you should also read this document along with your Member Booklet.

AMP charges fees and recovers expenses to cover administration of your account, the Scheme itself and costs associated with the professional management of your investments. Other fees and expenses may be payable and are detailed below.

### Annual fund charges

The total annual fund charges for the Funds are described in the relevant PDS. The amount of the total annual fund charges comprises the following components:

- Investment management fee;
- Administration fee;
- Service fee; and
- Costs and expenses.

#### Investment Management fee

AMP as the Manager of the Scheme is entitled to charge a fee for providing investment management services to the Scheme. The investment management fee includes the remuneration to AMP as the Manager of the Scheme.

The investment management fee also includes the fee paid to the underlying fund managers for managing the underlying funds in which the assets of the Scheme are invested or, in the case of underlying funds AMP manages, the fee paid to BlackRock for the investment management services it provides. However, we are entitled to be reimbursed from the Funds for any performance fee charged by an underlying fund manager that is not related to us where that expense is passed onto us.

The investment management fee is calculated daily as a percentage of the value of your investment in each Fund. It is deducted from each Fund and reflected in the value of your units so you will not see this fee on your annual statement.

#### Administration fee

We use the administration fee (which may also be referred to as the 'Trustee and Administration Fee') to contribute to the costs associated with administering the Scheme. These include paying AMP Services (NZ) Limited (**AMP Services**) for performing its role as administration manager of the Scheme and the Supervisor for performing its role as supervisor of the Scheme. AMP Services is a related party of ours.

The administration fee is calculated daily as a percentage of the value of your investment in each Fund. This fee is normally deducted each month by cashing up some of your units unless your Member Booklet (for any investors in the Workplace Savings Section) specifies otherwise or we agree otherwise (for investors in the Personal Superannuation Section). This fee will appear on your annual statement.

The administration fee is up to 1.4925% p.a. for investors transferred to Your Plan and this will gradually reduce as follows if your balance is over \$100,000.

- If your balance is over \$100,000, this will be up to 1.00%
- If your balance is over \$250,000, this will be up to 0.75%
- If your balance is over \$500,000, this will be up to 0.50%

#### Service fee

The service fee is used to contribute to the costs of the adviser services and ongoing management of the Scheme. If you are an investor in the Workplace Savings Section, we may agree with your employer and Adviser to reduce this fee. Details of any discounts will be set out in your Member Booklet. If you transfer to Your Plan, talk to your Adviser to find out what, or, if a service fee applies to you.

If you are an investor in the Personal Superannuation Section, we may agree with you and your Adviser to reduce this fee.

The service fee is calculated daily as a percentage of the value of your investment in each Fund. This fee is normally deducted each month by cashing up some of your units unless your Member Booklet (for any investors in the Workplace Savings Section) specifies otherwise or we agree otherwise (for investors in the Personal Superannuation Section).

#### Costs and expenses

We and the Supervisor may charge other costs and expenses to the Funds or your account that may include fees, costs and expenses charged to us by third parties. Scheme costs include accounting and auditing, registry and regulatory compliance costs. These may include costs and expenses charged to us by AMP Services that are not covered by the fee we pay to them out of the administration fee. These will only include costs and expenses permitted by the Trust Deed to be recovered as if we were incurring the costs and expenses ourselves. Any costs and expenses charged to the Funds are reflected in the unit price of the Fund concerned and therefore will affect your return. These costs and expenses will be reported in the Financial Statements, which are available from [amp.co.nz/forms](http://amp.co.nz/forms).

Costs and expenses also include underlying fund fees because the underlying funds into which the Funds invest also have fees and expenses, including performance fees and actual transaction costs, charged by the managers and trustees of those funds. These fees and expenses will be reflected in the underlying fund's unit price and may not be rebated to the Scheme.

The Supervisor can also charge special fees in relation to the Scheme. These fees are based on a time cost and reasonable disbursements basis, as we may agree from time to time (our agreement must not be unreasonably withheld).

#### Basis of estimates for annual fund charges in PDS

In determining the total annual fund charges in the various PDS, and the Member Booklets (where the AMP Balanced Fund No. 3 is available via a Member Booklet), estimates were made for certain fees and costs. These have been estimated as a percentage of the Funds' net asset value and include both expenses incurred by the Scheme and fees and costs charged by the managers of the underlying funds in which the Scheme invests. These include fees for audit, printing and distribution, regulatory compliance, IT, administration

manager costs and expenses, performance fees charged by unrelated underlying funds and other professional service fees. The determination of these fees is based on estimates provided by the Scheme's professional service providers, information provided by the custodian of the underlying funds or underlying fund managers of the Scheme relating to the underlying fund fees, and our experience with the Scheme (including taking into account the actual costs and expenses charged over the most recently completed Scheme year).

## Other charges

If you are an investor in the Workplace Savings Section the member fee is currently up to \$8.96 per month or \$107.52 per annum, per investor, unless your Member Booklet says otherwise. You'll be charged \$8.96 per month even if you choose more than one Fund.

This fee is normally deducted each month by cashing up some of your units, unless your Member Booklet says otherwise. This fee will appear on your annual statement.

If you transfer to Your Plan, the member fee is \$1.95 per month unless we agree otherwise with you and your Adviser. This fee is waived if your balance is over \$100,000.

A member fee is currently not charged to investors in the Personal Superannuation Section.

## Individual action fees

Individual action fees are fees charged on an individual basis for investor-specific decisions or actions (for example, fees relating to contributions, withdrawals and switches).

### Contribution fee

The information in this section forms part of both Workplace Savings Section PDS (the AMP Funds PDS and Third Party Funds PDS) for the Funds within the Scheme.

We may deduct a contribution fee of up to 3.7313% of each contribution which goes towards the cost of the ongoing management of the NZRT. The contribution fee is deducted at the end of each month by cashing up the investor's units.

If you are an investor in the Workplace Savings Section this fee is determined by your employer, Adviser and us. If this fee applies to you it will be set out in your Member Booklet.

AMP pays all the contribution fees to your adviser.

A contribution fee is currently not charged to investors in the Personal Superannuation Section, or held directly with AMP without an external adviser.

### Withdrawal fee

The information in this section forms part of each PDS for the Funds within the Scheme. The fees that apply to withdrawals are set out below.

#### *Declared Rate Fund*

If you are an investor in the NZRT – Workplace Savings Section a withdrawal fee may be payable when savings are withdrawn from the Declared Rate Fund, if your employer decides to end their NZRT plan which then causes a large number of investors to switch or withdraw from that fund within a short time period.

If you are an investor in the Personal Superannuation Section a withdrawal fee may be payable when savings are withdrawn from the Declared Rate Fund.

This fee (if payable) will reflect the amount by which the declared crediting rate applied to an investor's balance exceeds the actual returns on the underlying assets, and will be paid from the amount withdrawn. We would only do this to ensure equity amongst all the investors in that Fund.

### Switching fee

The information in this section forms part of each PDS for the Funds within the Scheme.

We currently do not charge a fee for the first switch you make in each year. For subsequent switches we may charge a switching fee which is currently \$100 per switch unless you are an investor in an Employer Plan and your Member Booklet specifies otherwise. This will be deducted from your member account at the time of the switch. We'll sell enough units from the most liquid fund to cover the amount of the switch fee.

We don't charge a fee for any of the automatic switches that occur within Lifesteps.

### One-off Adviser fee

The information in this section forms part of each PDS for the Funds within the Scheme. The one-off Adviser service fee is for additional advice or services relating to your accounts.

If you are an investor in the Workplace Savings Section this is either agreed between you and your Adviser or between your employer and Adviser. If the fee is agreed between you and your Adviser then the fee is deducted from your account and paid to your Adviser on your behalf. If the fee is agreed between your employer and Adviser this will be paid by your employer.

If you are an investor in the Personal Superannuation Section this fee is agreed between you and your Adviser. This fee is then deducted from your account and we pay it to your Adviser on your behalf.

### Insurance premiums

The information in this section forms part of both Workplace Savings Section PDS (the AMP Funds PDS and Third Party Funds PDS) for the Funds within the Scheme.

If you are an investor in the Workplace Savings Section your employer may have insurance (i.e. life insurance or life and total and permanent disablement insurance cover) as a feature of its Employer Plan. Your Member Booklet will tell you what insurance cover is available to you (if any). Depending on how your insurance is set up in your Employer Plan, the level of cover you will receive and the monthly premium you pay will vary.

The level of cover and monthly premium is determined when you join the NZRT and updated each Employer Plan Year at your Employer Plan review date. When you leave your employer, we'll generally transfer you to the Your Plan section of the NZRT. If you are transferred to Your Plan, you are unable to continue any total and permanent disablement cover you had in place under your Employer Plan but you can continue any life insurance cover you had.

There are options for the insurance cover which are set by your employer and your Member Booklet will provide details of the insurance cover (if any).

Your Member Booklet will specify if you are to pay premiums yourself, how premiums are paid and which account the premiums are deducted from. For more information, including how to calculate your insurance premiums, see the 'NZRT - Insurance Premiums' document available at [amp.co.nz/forms](https://amp.co.nz/forms).

## **Fees for overseas transfers**

If you transfer from the Scheme to an overseas account, a bank transfer fee may be charged by the initiating and receiving banks that enable the transfer.

## **Other individual action fees**

There are currently no establishment or termination fees in these Funds within the Scheme.

## **Other information on fees and other charges**

The other information on fees and other charges relating to the Scheme are described below.

### **Declared Rate Fund reserving methodology**

The declared rate of return used to calculate the unit price of the Declared Rate Fund is determined by Resolution Life (and may be changed from time to time). The reserving methodology (i.e. setting the declared rate of return) is designed to smooth out the actual investment returns to provide a stable return for the Fund. More information on the reserving policy is set out in the Scheme's SIPO.

The Declared Rate Fund invests into a non-PIE so tax is paid at 28% before tax-paid income is passed through to investors.

### **Transaction costs**

Transaction costs are the actual costs of buying and/or selling units in underlying funds. These costs may, at our discretion, be included within a Fund for buying and selling units in an underlying fund.

Generally, where we expect extended periods of neutral inflows and outflows to a Fund, no allowance will be made within the unit price of that Fund for buying and selling units in an underlying fund (known as 'base price'). When the base price applies any transaction costs incurred will not be reflected in the fund's unit price until the transaction actually occurs. In some cases, where we do not expect neutral inflows and outflows to a specific Fund the unit price may be adjusted to allow for the costs of buying or selling units in an underlying fund.

The amount and how transaction costs are charged could change in future without notification. Where BlackRock has been appointed to provide investment management services there are currently no buy / sell spreads in these underlying funds.

### **How does tax affect these fees?**

All fees are disclosed on a before-tax basis. GST will be added to fees and may be included in some expenses where applicable.

Where fees and expenses charged to the Fund or directly to your account are tax deductible, they will be included in your PIE tax calculation when determining your PIE tax liability.

The exception is if a one-off Adviser service fee is deducted from your account, this will not be included in your PIE tax calculation. This fee may be tax deductible and we recommend you discuss this with your tax adviser. If this fee is tax deductible, you will need to include it in your tax return.



## 6. Tax

This section provides additional information on how tax will impact on your investment in the Scheme and should be read with the relevant PDS. If you are an investor in the Workplace Savings Section you should also read this document along with your Member Booklet.

It is based on AMP's understanding of New Zealand tax legislation as it applies to the Scheme and New Zealand-resident investors. Non-resident investors should seek their own tax advice in their country of residence, including tax treatment of payments or transfers to or from the Scheme.

Tax legislation, its interpretation and the rates and bases of taxation are subject to change, and the application of tax laws depends on an investor's individual circumstances. Neither AMP nor the Supervisor of the Scheme, accept any responsibility for the taxation implications of the investors investing in the Scheme. Investors are advised to consult their own qualified tax adviser.

### The Scheme is a PIE

The Scheme is a PIE. This means we can calculate the tax payable on your Scheme investment income based on your Prescribed Investor Rate (PIR), and we will pay tax directly to Inland Revenue. To determine your PIR, go to [amp.co.nz/pie](http://amp.co.nz/pie).

### Tax on contributions to the Scheme

Employer Superannuation Contribution Tax (ESCT) applies to employer contributions at the following rates:

ESCT rate threshold amount	Tax rate
\$0 - \$16,800	10.5%
\$16,801 - \$57,600	17.5%
\$57,601 - \$84,000	30%
\$84,001 - \$216,000	33%
\$216,001 upwards	39%

For more information on how ESCT will apply to employer contributions in your Employer Plan, please refer to your Member Booklet.

### Prescribed Investor Rates

Your PIR is based on your taxable income and attributable PIE income in either of the two tax years preceding the current tax year (with each tax year commencing on 1 April and ending on the following 31 March). You are responsible for providing your PIR for a particular tax return period to the Scheme. We will remind you to check your PIR annually. You must notify AMP as soon as practicable if your PIR changes. The Inland Revenue can also instruct us to apply a different PIR to the one notified by you.

Currently there are three tax rates available for New Zealand tax resident individuals who provide their IRD numbers to the Scheme. These rates are 10.5%, 17.5% and 28%. The PIR for non-residents is 28%. The eligibility criteria are as follows:

PIR	Eligibility criteria
10.5%	NZ tax resident investors who provide their IRD number and who had in either of the 2 tax years immediately before the current tax year: \$14,000 or less in taxable income* (excluding PIE income); and \$48,000 or less in taxable income* and net attributed income from PIEs (i.e. after subtracting any attributed tax losses from PIEs).
17.5%	NZ tax resident investors who provide their IRD number and who had in either of the 2 tax years immediately before the current tax year: \$48,000 or less in taxable income* (excluding PIE income); and \$70,000 or less in taxable income* and net attributed income from PIEs (i.e. after subtracting any attributed tax losses from PIEs).
28%	NZ tax resident investors who do not meet the criteria for a 10.5% or 17.5% PIR.
28%	Non-resident investors.
28%	Default rate for investors who do not provide their IRD number to us and/or do not elect a PIR.

\*Taxable income includes worldwide income, including where the investor was not a resident in New Zealand when that income was earned. If a newly-resident investor chooses not to include their worldwide income when calculating their PIR, the PIE income must be included in an income tax return.

If the rate applied to your PIE income is lower than your correct PIR, you will be required to pay any tax shortfall as part of the income tax year-end process. If the rate applied to your PIE income is higher than your PIR, any tax over-withheld will be used to reduce any income tax liability you may have for the tax year and any remaining amount will be refunded to you.

## Tax rules applying to Scheme investments

The Scheme is a PIE and pays tax calculated at each investor's PIR. The highest PIR for individuals is 28%.

The PIE tax rules in the Income Tax Act determine the tax treatment of all income and expenses of the Scheme. Generally, assets are taxed as described below. The Funds may be indirectly invested in some or all of these assets:

Asset	Tax payable on capital gains/losses	Tax payable on dividends and interest	Tax payable on deemed 5% return, per 'Fair Dividend Rate' (FDR) method (see below)
New Zealand equities	No	Yes	No
Australian equities <sup>^</sup>	No	Yes	No
Australian Unit Trusts (AUT) (see below)*	No	No	Yes
Global equities	No	No	Yes
Cash and cash equivalents, fixed interest, currency hedges (see below) and other financial instruments	Yes	Yes	No**

<sup>^</sup>This treatment applies to most listed Australian equities. Other Australian equities are generally treated in the same manner as global equities.

\*Some limited exemptions apply, see below for additional information.

\*\*In some circumstances, the full foreign exchange rate gain or loss on currency hedges is taxed, and sometimes 5% of the gain or loss is taxed, see below for additional information.

The underlying funds into which the Global Select funds invest hold investments in offshore funds. The overall tax impact of overseas investments can differ. Tax may be imposed in overseas jurisdictions in relation to overseas investments, which may or may not give rise to a tax credit in New Zealand.

### FDR method

Most investments in global equities and AUTs are taxed using the FDR method. This means that actual changes in value are not taxed, instead these investments will be taxed as if they earned a 5% return regardless of their actual return, i.e. 5% of the daily market value of these investments will be taxed even when the investments have not increased in value and/or have decreased in value. Any gains and losses or dividends and distributions from these investments are not taxed separately.

### Currency hedges

Some funds take out currency hedges to protect investors from fluctuations in the value of overseas investments, due to movements in the value of the New Zealand dollar. Gains and losses on currency hedging are generally fully taxable which means that tax may be payable on the full foreign exchange gain at the investor's PIR, even when the value of the investments the hedge is protecting have not increased in value and/or have decreased in value.

Some funds may be able to apply FDR to the foreign currency hedge in very limited circumstances, resulting in the hedge being taxed at approximately the same rate as the investments the hedge is protecting. That is, broadly, tax is paid at an investor's PIR on 5% of the market value of the hedge.

### AUT exemptions

Some AUTs may be exempt from applying FDR and are therefore taxed as Australian equities.

Such exemptions for units in an Australian tax resident unit trust will apply where there is a Resident Withholding Tax (RWT) proxy (a NZ entity that administers payments and deducts RWT) in relation to payments from the AUT, and the AUT either (a) turns over a minimum of 25% of its profit-making shares each year or (b) distributes at least 70% of its distributable gains each year.

## Calculation of tax by the Scheme

We apply the tax rules to the Scheme's investments and calculate taxable income and tax credits on a daily basis. We then calculate your share of the Scheme's total tax liability based on:

- Your daily unit holding in Scheme funds (and thus your share of the Scheme's taxable income, deductible expenses and tax credits)
- Any additional deductible fees charged to you e.g. monthly investor fees and administration fees
- Your PIR.

You can view your year-to-date tax accrual in My AMP.

## How the Scheme takes care of tax payments and rebates

The amount of tax payable by the Scheme to Inland Revenue is the sum of the tax payable by each investor on their attributed income in a tax return period, calculated at the investor's PIR.

Tax is collected from you at the end of each tax year and at the time of full withdrawal, based on the year-to-date accrual. Tax may also be collected during the year if there is a risk you will have an insufficient remaining balance to pay your year-to-date tax accrual. We will test this risk every month, as well as when you make withdrawals or update your PIR.

When you transfer between a Workplace Savings plan and Your Plan (formerly known as My Super) we will finalise your tax position and collect tax or pay a tax rebate to you.

Tax is collected by cancelling units held in your account. In other words, by selling some of the underlying investment assets.

From time to time you may be due a tax rebate. For instance, if your share of tax credits earned by the Scheme exceeds your tax liability, we will claim a rebate of tax from Inland Revenue on your behalf. If a rebate is due we will issue further units to you; in other words, buy further investment assets. If a rebate is due at the time you transfer to another scheme, the rebate will be paid to the new scheme. If a rebate is due at the time you make a full withdrawal, it will be paid along with other proceeds to your bank account.

## Tax on withdrawals from the Scheme

As tax has already been calculated and collected (or rebated) on investment income, withdrawals made from the Scheme are not subject to further tax.

No further taxes will be deducted from amounts payable to non-resident investors.

## Your tax report

We will provide you with a PIE tax statement for each tax year ended 31 March. The statement will be provided by the 30 June following the end of the tax year.

PIE taxable income, tax credits and tax payments do not generally need to be included in a personal tax return.

## Tax in relation the Declared Rate Fund

The Declared Rate Fund invests via a managed fund policy issued by Resolution Life, into underlying investment assets. Resolution Life is required to pay tax on investment income earned by the assets at the 28% corporate tax rate. This means that if you invest in the Declared Rate Fund your PIR can't be applied to your share of the investment income, and therefore if your PIR is lower than 28% you are not taking full advantage of PIE benefits.

## UK Pension Transfers

AMP has been notified by HMRC in the United Kingdom that the NZRT has been accepted as a QROPS under the UK's Finance Act 2004. The Scheme could lose QROPS status at any time and neither AMP nor AMP Services represent that the Scheme will continue to have QROPS status.

If you transfer funds from a UK registered pension scheme you may have New Zealand tax to pay.

If you have transferred funds from a UK registered pension scheme or other QROPS or former QROPS or make a withdrawal, you may have UK tax to pay if the Scheme loses its QROPS status or if the withdrawal is not authorised by the QROPS Rules. Tax relating to UK pension transfers is complex and you should seek independent specialist advice on how the New Zealand and UK tax law applies to your individual circumstances.

We may be required to report certain matters to HMRC. This occurs when an investor who has transferred amounts to the Scheme, being amounts which have UK tax-relieved status, withdraws or transfers to another KiwiSaver scheme or an overseas superannuation scheme.

## 7. Who is involved?

This section provides information about those responsible for providing the Scheme, and their key powers to change the way the Scheme operates under the Trust Deed. It should be read with the relevant current PDS. If you are an investor with the Workplace Savings Section you should also read this document along with your Member Booklet.

### Manager of the Scheme

AMP is the manager of the Scheme. AMP is licensed under the FMCA. The conditions of the licence imposed by the Financial Markets Authority are published on [fsp-register.companiesoffice.govt.nz](https://www.fsp-register.companiesoffice.govt.nz). AMP Services is an authorised body under the licence.

AMP forms part of a group of AMP entities in New Zealand collectively known as AMP Wealth Management New Zealand Limited. AMP Limited, a company incorporated in Australia, is the ultimate holding company of AMP.

AMP has established governance procedures to oversee the activities carried out by members of the group, and make decisions on behalf of members of the group. Those governance procedures apply to AMP.

### Related party interests

AMP Limited's Conflicts Management Policy provides principles for managing conflicts of interest within AMP. The key related party interests relating to the Scheme are outlined below.

#### AMP Services

The administration functions of the Scheme have been delegated to AMP Services. AMP Services is a related company of ours. The terms of the arrangement of the administration function between us and AMP Services is set out in the management services agreement between AMP Wealth Management New Zealand Limited and AMP Services. This agreement has been uploaded to Scheme's offer register entry at [disclose-register.companiesoffice.govt.nz](https://disclose-register.companiesoffice.govt.nz) as a material contract.

Nb. As underlying investment manager of some of the third-party funds BlackRock may, solely at its discretion, elect to invest in some underlying wholesale funds managed by the Manager. AMP has no influence over, nor receives any financial benefit from, investment selections made by BlackRock

#### Resolution Life Australasia Limited

AMP has appointed Resolution Life as the primary insurer of the Scheme to arrange investors' insurance benefits. In addition, the Declared Rate Fund invests in a managed fund policy issued by Resolution Life.

### Supervisor

The Supervisor of the Scheme is Public Trust (Supervisor). The address of the Supervisor is:

Private Bag 5902  
Wellington 6140

The Supervisor has been granted a licence under section 16(1) of the Financial Markets Supervisors Act 2011 to act as a supervisor in respect of debt securities and registered schemes. A copy of the Supervisor's licence, including the conditions on the licence, can be obtained from the Financial Markets Authority's website at [fma.govt.nz](https://fma.govt.nz) or on the Supervisor's website at [publictrust.co.nz](https://publictrust.co.nz).

### Participating employers

An employer may enter into a Participation Agreement with us and the Supervisor. The Participation Agreement prescribes conditions on which the employer's employees may participate in a plan established within the Scheme for that employer. We and the employer may amend a Participation Agreement in writing.

The Participation Agreement may include conditions relating to the rate of employer contributions, the vesting of those contributions, the treatment of unvested contributions, the Funds in which contributions to the plan will be invested, and such other matters we and the employer consider appropriate.

A Participation Agreement overrides the Trust Deed to the extent of any conflict or inconsistency in respect of terms and conditions relating to contributions and benefits.

If you cease to be employed by the employer without a new employer agreeing to assume the former employer's obligations under the relevant Participation Agreement, or if we or your employer discontinue the Participation Agreement, then the provisions of the relevant Participation Agreement generally cease to apply to you, and you will continue membership in the Scheme as a Your Plan (formerly known as My Super) investor. The terms and conditions prescribed for your continuing membership of the Scheme may be modified. You will be notified accordingly. In some circumstances, you may be able to remain an investor in the relevant employer plan – the member booklet for your employer plan will contain details of this, if relevant.

### Key powers under the Trust Deed

Under the Trust Deed, AMP and the Supervisor have various powers. These include to change those involved in the operation of the Scheme, change Funds offered, to amend the Trust Deed, and to wind up a Fund, a section, or the Scheme.

The Manager and the Supervisor can be removed or substituted at any time. The Trust Deed for the Scheme may at any time be amended by a deed executed by the Manager and the Supervisor.

We can choose to wind up a Fund. Where we wind up a Fund, investors holding units in that Fund may elect to switch to another Fund. Following switching by those investors, the Fund will be wound up.

We can also wind up a section of the Scheme. If we wind up a section, investors of that section may, subject to any restrictions in the Trust Deed, elect to transfer to another section of the Scheme. Following switching by those investors, the relevant section will be wound up. The Scheme as a whole can also be wound up by written notice to the Supervisor. The Scheme will also be wound up where required by the FMCA.

Phone 0800 800 267  
Email [workplaceadmin@amp.co.nz](mailto:workplaceadmin@amp.co.nz)  
Web [amp.co.nz](http://amp.co.nz)  
Follow Us On  

### Want to know more?

For more information about the New Zealand Retirement Trust, please see the relevant New Zealand Retirement Trust Product Disclosure Statement at [amp.co.nz/nzrt](http://amp.co.nz/nzrt) contact us on 0800 800 267 or talk to your Adviser today.

*A little help.*

