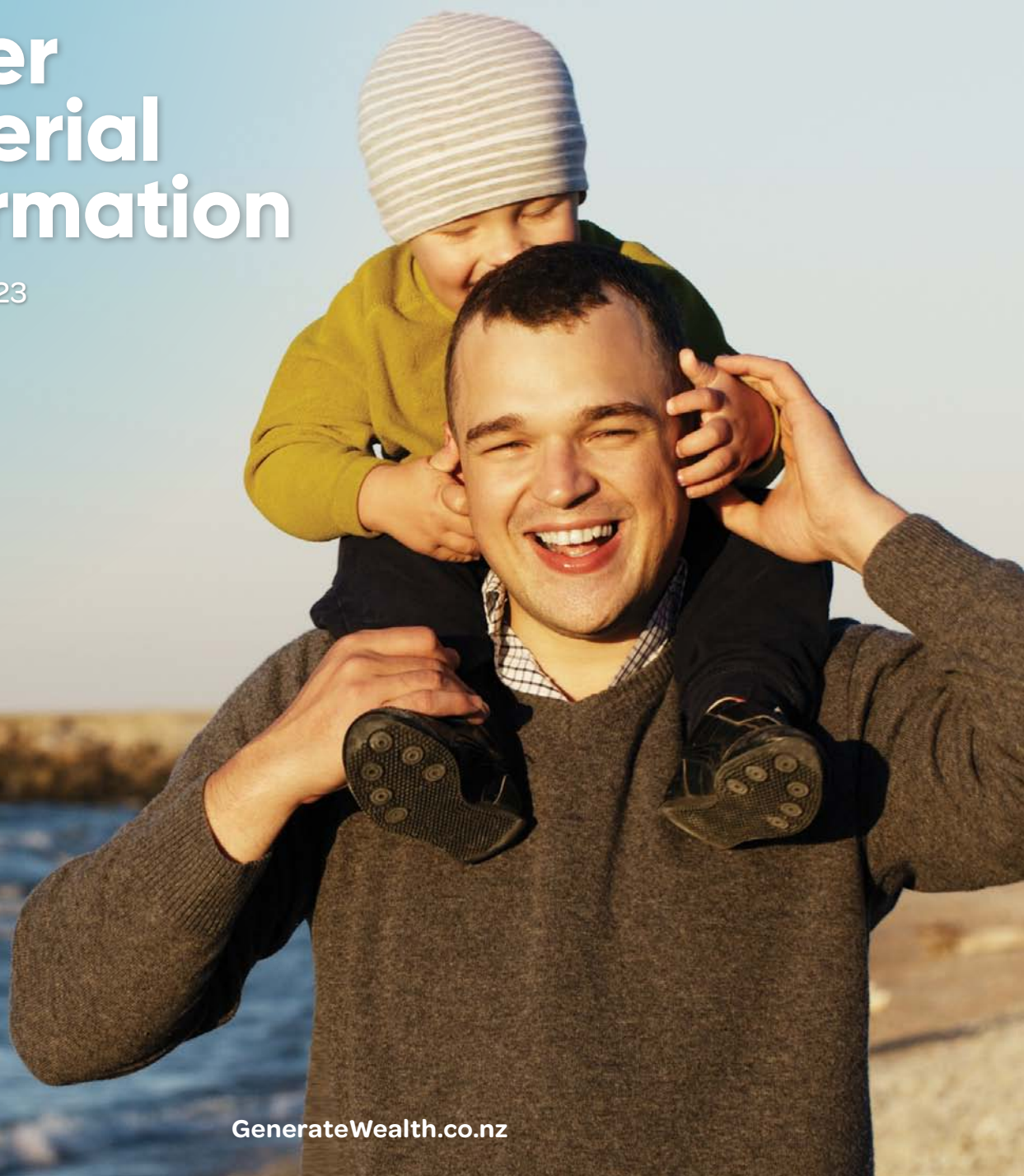


Generate Unit Trust Scheme (Managed Funds)

Other Material Information

30 JUNE 2023



[GenerateWealth.co.nz](https://www.GenerateWealth.co.nz)

A product disclosure statement for the Generate Unit Trust Scheme is available at [generatewealth.co.nz](https://www.generatewealth.co.nz) or by contacting us on 0800 855 322. The issuer is Generate Investment Management Limited.



PRI Principles for
Responsible
Investment

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1. Background

This document provides important information in relation to your investment in the Generate Unit Trust Scheme. It should be read together with the PDS, the SIPO and any other documents held on the register at business.govt.nz/disclose, which are also available on our website at: generatewealth.co.nz/documents-and-forms.

This document has been prepared to meet the requirements of section 57(1)(b)(ii) of the FMCA and parts of clause 52 of Schedule 4 of the Financial Markets Conduct Regulations 2014.

2. Interpretation

2.1 Defined terms

In this document:

- the words **you** or **your** refer to you and other persons who apply for units in the Scheme or who are accepted as unitholders in the Scheme, as the context requires;
 - the words **Generate**, the **Manager**, **we**, **us** or **our** refer, unless the context requires otherwise, to Generate Investment Management Limited;
 - where words are defined in the Glossary on page 14, those words have the same meaning wherever they are used in this document; and
 - we refer in some places to things that we “generally” or “currently” do. This describes our practice as at the date of this document only. We can review and change our practices without notice to you, so long as we comply with the Trust Deed and relevant law.
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3. Details of the Scheme

3.1 The Generate Unit Trust Scheme

The Generate Unit Trust Scheme (the **Scheme**) is a registered managed investment scheme under the FMCA.

The Scheme offers you the option to invest in five Funds*, each with different levels of risk. You can choose to invest solely in one Fund or a combination of them. The investments of the Funds are made in accordance with the PDS and the SIPO.

The five Funds are:

- Conservative Managed Fund
- Balanced Managed Fund
- Focused Growth Managed Fund
- Australasian Managed Fund*
- Thematic Managed Fund*

Further information can also be found in the PDS and the SIPO, which are available on Disclose or our Website.

3.2 How the Funds work

The money you invest is used to buy units in the Fund or Funds you select. Each unit that you own is a share in the total value of what that Fund is worth. As the value of the Fund's assets go up and down so too does the value of your units. Each unit has an equal interest in a Fund as all the other units and the same unit price.

The Funds' assets are held indirectly via one or more wholesale funds managed by us (including those third party underlying funds that the wholesale funds may invest into). As such, references in this document to the assets of a Fund or the assets that a Fund or the Scheme invests into, are references to those assets as invested via those wholesale funds. The wholesale fund investment structure provides operational and administrative efficiencies.

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

We may issue more units in a Fund as unitholders invest money into the Fund and redeem units as unitholders withdraw money from the Fund. There is no maximum to the number of units in each Fund.

Unit prices are calculated each Business Day and rounded to four decimal places. Each unit price equates to the Net Asset Value (**NAV**) of the relevant Fund at that time divided by the number of units that have been issued by that Fund.

4. Contributions

You can contribute to the Scheme in a lump sum or regular investment at any time. You have a choice about how much you contribute regularly. See the PDS for further details on contributions.

If you contribute to the Scheme by a monthly direct debit, these will be processed on the date you nominate, if your nominated date is not a working day, it will be processed on the next working day.

For help topping up your account please call us on 0800 855 322 or go to our Website.

* Note the Generate Australasian Managed Fund and Generate Thematic Managed Fund are new funds and are available for investment from 3 July 2023.

5. Distributions

Currently it is not intended that distributions will be made from the Funds, although we can in the future choose to make them. Income will be reinvested back into the Funds and included in the unit price of that Fund.

6. Withdrawals

6.1 Withdrawals from the Scheme

You may withdraw some or all of your investment at any time by completing a withdrawal form.

We will generally process withdrawals on the next Business Day a withdrawal form has been accepted, using the closing unit price of that day. However, up to 10 days' notice may be required for a large withdrawal.

There will be no charge to you for making a partial or full withdrawal.

Payments can take up to 10 days to arrive at your nominated bank account depending on the size of the payment.

Payments will only be made to the New Zealand bank account that was provided at time of application.

The minimum lump sum withdrawal amount is \$500 and the minimum regular withdrawal amount is \$100. The minimum account balance is \$1,000 for individuals, and \$25,000 for non-individuals (i.e. trusts, partnerships, companies, estates, charities, incorporated societies or associations).

6.2 How to switch between Funds

You are able to move your investment between the Funds at any time. This will be considered a withdrawal from one Fund and an application for units in another Fund. All the conditions and restrictions on applications and withdrawals will therefore apply. You can do this by completing a 'Changing your Investment Strategy Form' available on our website.

6.3 No guarantee

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

6.4 Tax consequences

Please be aware there may be tax consequences from withdrawing or transferring funds from the Scheme. We recommend you consult a qualified tax adviser.

7. Persons involved in providing the Scheme

7.1 Our directors and Investment Committee members

Our investment decisions, including the selection of our underlying fund managers, are overseen by our Investment Committee (**IC**). The Directors and members of the IC may change from time to time without notice to you.

Information regarding our current directors is available on the Companies Register at companies-register.companiesoffice.govt.nz.

7.2 No bankruptcy, etc.

Neither we nor any of our directors has, during the five years before the date of this document, been adjudicated bankrupt or insolvent, convicted of any crime involving dishonesty, prohibited from acting as a director of a company, placed in statutory management or, in respect of us, placed in voluntary administration, liquidation or receivership.

7.3 Underlying fund managers

The Funds (apart from the Thematic Managed Fund) invest into third party underlying funds (via certain wholesale funds managed by us). The underlying fund managers will charge additional management fees for investing the Scheme's money and may change the fees they charge from time to time. These fees, along with any performance fees charged by the underlying funds, will affect the value of the Funds' investments, and will be reflected in the relevant Fund's unit price.

The estimated underlying funds' management fees, performance fees and administration charges incurred by our underlying funds (plus the estimate of Supervisor fees) for the Funds are available on our Website at generatewealth.co.nz/managed-funds/fees.

7.4 Registrar, custodian, auditors, advisers and experts

The following persons perform functions for the Scheme:

- **(Registrar)** Apex Investment Administration (NZ) Limited (**Apex**).
 - **(Custodian)** Public Trust.
 - **(Auditor)** Grant Thornton New Zealand Audit Partnership is the auditor for the Scheme. Grant Thornton was registered as a registered audit firm under the Auditor Regulation Act 2011 on 30 April 2014. The firm's registration is subject to the standard conditions that apply to audit firm registrations. Grant Thornton have considered and confirmed their independence as auditor and their quality procedures, together with the objectivity of the Audit Partner and audit staff.
 - **(Solicitors to the Manager)** MinterEllisonRuddWatts.
 - **(Solicitors to the Supervisor)** DLA Piper.
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8. Supervisor

8.1 The Supervisor and its board members

The Supervisor of the Scheme is Public Trust.

The address of the Supervisor is:

SAP Tower, Level 16

151 Queen Street

Auckland 1010.

The Board Members of the Supervisor may change from time to time without notice to you. The names of the Supervisor's Board Members may be obtained from <https://www.publictrust.co.nz/about/our-team/public-trust-board> or by phoning the Supervisor on 0800 371 471.

The Supervisor is not a subsidiary of any company.

The Supervisor does not guarantee the payment of any money to you or any other person.

8.2 Supervisor's licence

The Supervisor has been granted a licence under the Financial Markets Supervisors Act 2011 to act as a supervisor of registered schemes.

Further information on the Supervisor's licence is publicly available on the Financial Markets Authority (**FMA**) website (www.fma.govt.nz) and also on the Financial Service Providers Register website (www.business.govt.nz/fsp).

9. Material Contracts

9.1 Trust Deed

The Trust Deed is dated 11 June 2019 (as subsequently amended or replaced). It details the Supervisor and the Manager's rights and responsibilities and requirements for how the Generate Unit Trust Scheme will be managed. Unitholders and potential investors can find a copy of the Trust Deed by visiting www.disclose-register.companiesoffice.govt.nz or on our Website.

9.2 Outsourcing Agreements

We have an outsourcing agreement with Apex. We have appointed Apex to undertake unit pricing, fund accounting and registry functions for the Generate Unit Trust Scheme and relies on Apex's pricing and valuation policy.

The contracts in place with the key providers stipulate the services to be provided, the fees and the contract duration.

10. Further information on fees

10.1 Basis for estimating the fees and expenses

The estimated underlying funds' management fees, performance fees and administration expenses incurred by our third party underlying funds (plus the estimate of Supervisor fees) for the Funds are available on our website at generatewealth.co.nz/managed-funds/fees. These estimates are based on fees and expenses in the most recently publicly available annual reports and disclosures from the third party underlying funds as at the date the fees were last calculated and also include our estimate of Supervisor fees. Where these sources do not fully cover such charges we have requested verification from the managers of the third party underlying funds.

The annual fund charges in the PDS include recovery of expenses of the Manager and estimated expenses of the third party underlying funds.

10.2 Changes to fees

We may agree with the Supervisor to vary the fees from time to time. Fees not currently charged, may also be introduced at any time as permitted by the Trust Deed.

10.3 Goods and Services Tax (GST)

Fund charges are stated exclusive of any GST. GST will be added where applicable.

10.4 Trading Expenses

The Funds incur trading expenses (e.g. brokerage fees and spreads) when buying or selling investments or units in an underlying fund. These trading expenses reduce the assets of a Fund, and as a result affect that Fund's return. Investors in a Fund can have their return reduced by trading expenses arising from other investors investing or withdrawing from a Fund.

The Manager may elect to implement a swing pricing mechanism so that trading expenses are shared more fairly between investors. If implemented, swing pricing applies a rate:

- which will increase the unit price when net inflows are positive (e.g. more investors are investing than withdrawing on a day); and
- which will decrease the unit price when net inflows are negative (e.g. more investors are withdrawing than investing on a day).

In both cases this means the investors causing the Fund to incur trading expenses pay a greater portion of them.

Swing pricing is not a fee, the swing rates applied are retained in the Fund to be used to pay for estimated trading expenses. Swing pricing is applied on a fund by fund basis and the rate applied may vary depending on market conditions. The swing rates may not always be enough to cover the trading expenses.

The Manager may also elect to use soft dollar commission arrangements with certain brokers to extract more value from the trading expenses arising in a fund. Soft dollars can be earned where the manager makes use of certain brokers with whom the manager has an agreement in place. These soft dollars can then be used to access third-party research and research tools and services to enhance the investment management decision making process. These soft dollars will not be used for research which will solely benefit a fund that did not generate them.

11. Key terms of the Scheme

11.1 Description of scheme and its development

The Scheme was established under a Trust Deed dated 11 June 2019 (as subsequently amended or replaced).

11.2 Scheme description

The Scheme is registered as a managed investment scheme under the FMCA.

11.3 Application for Units

Investors can apply for units in the Scheme by completing an application for units in the Scheme (in such form and manner as is prescribed or otherwise required by us from time to time) and by contracting directly with us.

11.4 Termination

You will cease to be a unitholder when you withdraw all funds in the Scheme.

12. Responsible investment

12.1 Generate is committed to ESG

Investing in a way that incorporates environmental, social and governance (ESG) issues, manages risk and generates sustainable long-term returns is an important consideration in Generate's investment decision making process. Generate became a signatory of the United Nations Principles for Responsible Investment (UNPRI) on 10 May 2018.

Investment decision-making first involves an assessment of whether the investment must be excluded on the basis that it is inconsistent with certain values-based criteria. Broader ESG issues are considered as part of the qualitative research conducted for our investment analysis.

Specifically, investments (including investments in third party underlying funds) into companies that are directly involved in the following activities are excluded*.

- The manufacture of cluster munitions;
- The manufacture of anti-personnel mines;
- The manufacture or testing of nuclear explosive devices;
- The processing of whale meat; or
- The manufacture of tobacco.

See the Responsible Investment Policy (available from generatewealth.co.nz/responsible-investing or from the Disclose Register) for more information on the exclusion process.

13. Taxation

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

We, and the Supervisor, do not accept any responsibility for the taxation implications of your investing in the Scheme.

Tax legislation and its interpretation are subject to change, and the application of tax laws will depend on your individual circumstances.

We recommend that you consult your own independent tax adviser as to the tax consequences of investing in the Scheme.

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

13.1 Tax on investment income

The Scheme is a Multi-Rate Portfolio Investment Entity and therefore the PIE tax regime applies. Under the PIE tax regime:

- the Scheme's income, deductible expenses and tax credits for an attribution period are attributed to the Scheme's relevant unitholders in proportion to their interests in the Scheme, and the Scheme pays tax on the net income attributed to those unitholders at each unitholder's Prescribed Investor Rate (your PIR is outlined below);
- if the Scheme suffers a loss (or a unitholder's attributed tax credits exceed the tax payable) for an attribution period, we are able to claim a tax refund (except for excess foreign tax credits) which will be credited to your balance;
- at the time of a withdrawal, or of a switch from one Fund to the other (switches between Funds are treated as withdrawals for tax purposes), tax is payable only on the amount of income attributed to the period in which the withdrawal or switch occurs;
- in the case of shares held for a Fund in New Zealand resident companies, any profits on disposal are not taxable and losses on disposal are not deductible (dividends are taxable); and
- in the case of shares held for a Fund in certain Australian resident companies that are listed on an approved Australian Securities Exchange index and maintain a franking credit account, profits on disposal are not taxable and losses on disposal are not deductible (dividends are taxable, but we can claim a tax credit for any withholding tax deducted from dividends).

For New Zealand-resident individuals who provide their IRD number to the Scheme, there are three PIR tax rates available as at the date of this document (an income year is generally, and a **tax year** is always, 1 April to 31 March):

- 10.5% for unitholders who notify the Scheme that they had, in either of the two income years immediately preceding the current tax year, taxable income of \$14,000 or less (this excludes Attributed PIE Income) and \$48,000 or less in total taxable income plus Attributed PIE Income (less any Attributed PIE Loss);
- 17.5% for unitholders who do not qualify for the 10.5% rate and who notify the Scheme that they had, in either of the two income years immediately preceding the current tax year, taxable income of \$48,000 or less (this excludes Attributed PIE Income) and \$70,000 or less in total taxable income plus Attributed PIE Income (less any Attributed PIE Loss); and
- 28% for unitholders who do not qualify for either of the lower rates.

If you are investing jointly with another person, we will use the PIR that is the highest PIR of all the joint investors together. Each joint investor will need to provide us with their own PIR and IRD number.

If you are not investing as an individual (for example, you are a trust, company, or charity) you may have a 0% PIR. If your PIR is 0% then you will need to pay any tax on the investment income attributed to you. If you are unsure if this applies to you, we recommend you seek guidance from a tax professional.

If you are a New Zealand resident trustee, you may be able to select a PIR that suits your beneficiaries. If this applies to you, we recommend you seek advice from a tax professional.

Taxable income generally includes foreign-sourced income even if you were not resident in New Zealand when that income was earned. New residents can exclude their non-resident foreign-sourced income for either the income year in which they became a New Zealand resident or the following income year if they reasonably expect their taxable income to be significantly lower than their total income from the tax year before becoming a New Zealand resident.

If you are a non-resident, your PIR will be 28%.

If you do not provide your IRD number and a PIR, and Inland Revenue has not provided a PIR for you, your PIR will be 28%.

Further information on PIRs can be found on the Inland Revenue website at www.ird.govt.nz

In most instances, if you do not provide an IRD number within 6 weeks of your entry into that Fund you will be removed from the relevant Fund.

Each year you will be asked to confirm to us if your PIR has changed. You should advise the Scheme if your PIR changes during the year or if you cease to be resident in New Zealand.

If Inland Revenue considers that you are on an incorrect PIR it may provide us with the correct PIR for the tax year, which we must apply, unless you subsequently notify us that a different rate should be applied.

The Scheme calculates the tax liability attributable to you in relation to each Fund for each calculation period (and as at the date of any withdrawal or switch) using your PIR. The tax liability attributed to you for each Fund will be deducted from your balance in the Scheme by cancelling units in the relevant Fund or Funds.

At the end of the tax year, Inland Revenue will calculate your tax liability on your PIE Income using your correct PIR based on the income information Inland Revenue holds for you, and will make adjustments to account for any over or under payments that may have occurred in relation to the tax paid on that income by the Scheme during the tax year.

Any investments held for a Fund in foreign shares (except for shares in certain Australian resident companies that are listed on an approved Australian Securities Exchange index and maintain a franking credit account) or a foreign trust are subject to the fair dividend rate (FDR) method of taxation provided the Scheme holds less than 10% of the shares (or units) in the foreign company (or trust). Under the FDR method, the relevant Fund is deemed to derive taxable income each year equal to 5% of the average daily opening market value of the shares (or units) held in foreign companies (or trusts), but any dividends received are not taxable (although we are able to claim tax credits for any foreign withholding tax deducted from the dividends received).

In addition, FDR assessable income includes a component of any realised gains on 'quick sales' undertaken throughout the tax year. Losses incurred on the disposal of foreign shares (or units) are not deductible.

Fees (if any) paid by you for ongoing management and administration services are taken into account as deductions for the purposes of calculating the tax payable on your behalf. You are not able to claim deductions for such fees in your own tax return.

13.2 Tax on contributions

Your contributions to the Scheme are made from after tax income, so no more tax is payable on those contributions.

13.3 Tax on benefits

Non-resident investors should seek tax advice in their country of residence concerning the tax treatment in that country of payments or transfers from the Scheme.

Under current legislation, when you withdraw funds from the Scheme in New Zealand the amount withdrawn will not be subject to any further taxation (i.e. it will be paid tax-free).

14. Risks

There is some degree of risk involved with all investments. The potential return on an investment usually carries a corresponding level of risk which reflects the possibility that events may not turn out as initially expected or, in particular, that the value of an investment could fall below its initial cost. The risks of investing in the Scheme include the possibility of not realising a particular rate of return and not recovering the full amount invested by you or for your benefit. If the value of the investments made by the Fund or Funds in which you are invested falls, it is reasonably foreseeable that the value of your investment in the Fund or Funds could be less at some stage than the amount you put into the Scheme or that was invested in the Scheme on your behalf.

We aim to manage the risks associated with investing in the Scheme through our investment philosophy and approach. See the SIPO for more details.

However, an investment in the Scheme is not guaranteed by any person. Events that can affect the value of your investment or returns include the following:

- (i) **Investment risk:** Our Funds invest in different asset classes. The level of investment risk varies based on the asset class selected for each Fund. In general terms, funds that invest in a higher proportion of shares will carry a higher level of investment risk, and funds that do not diversify across multiple asset classes will also carry a higher degree of risk. The value of shares is affected by many things including market movements and individual company performances. Property and infrastructure investments are considered less risky than shares, but more risky than fixed interest investments. Funds principally invested in cash and fixed interest will generally have a lower investment risk. The value of fixed interest securities is affected by interest rate movements and the creditworthiness of the issuer. The third party underlying funds may choose to invest in long, and in some cases long and short, equity investments. The long and short strategies primarily involve long investments with a lesser weighting in short investments. Long means investing in shares and profiting when share prices rise and making losses when they decline in value. Short investments involve investing to profit when share prices fall and making losses if they rise. The relevant underlying funds may also use commodities, derivatives, currencies, fixed interest and other securities to help them achieve their investment strategies. The relevant underlying funds decide when to make long or short investment decisions. Losses on any underlying fund are limited to the amount invested. As part of the Scheme's international equities exposure the Manager has the ability to buy international stocks directly.
- (ii) **Market risk:** Investment markets are affected by a range of factors including economic, political, market, regulatory, taxation, environmental and technological conditions in New Zealand and internationally that impact share prices, property and infrastructure values or interest rates. In general, funds that aim to invest in specific markets will carry a higher level of market risk.
- (iii) **Liquidity risk:** Most of the third party underlying funds can suspend withdrawals from their funds in limited circumstances. This might occur in rare cases such as in the case of natural disasters and extreme financial events. In addition, if the underlying assets of a fund become illiquid then the fund may be unable to sell those assets, which would affect its ability to make payments on time.
- (iv) **Foreign exchange risk:** Where Funds are invested in international investments, foreign currency movements could affect the investment performance of the Funds. We actively manage currency exposures by deciding whether or not to fully or partially offset the impact of currency movements via entering into foreign exchange transactions. This is known as "hedging".
- (v) **Tax and regulatory risk:** Changes in tax rates and tax rules in New Zealand and the countries in which investments are made by the Funds could have an adverse effect on your investment. If the Scheme ceases to be a PIE, then your taxation on investment income from the Scheme will change.
- (vi) **Operational risk:** Failure of processes and procedures, fraud, loss of key staff, litigation, disruption to business by industrial disputes, systems failures, pandemics, natural disasters and other unforeseen external events which might affect our business or the business of the Scheme could have an adverse effect on your investment.
- (vii) **Product risk:** Changes made to the Scheme from time to time in accordance with the Trust Deed, including any of the Fund's objectives, terms, investment policy, fees and charges, minimum amounts, or the fund being closed or terminated could impact on your investment.
- (viii) **Counterparty and derivative risk:** Failure by counterparties to honour their contractual obligations could affect the management of the Scheme. Decisions made by investment management professionals, including the relevant third party underlying funds manager's decisions to short-sell assets, invest in derivatives and other complex investment instruments or borrow, could increase the risk profile associated with investing in those managers. Losses on any underlying fund are limited to the amount invested.

15. Benchmark market indices

The table below shows the benchmark market indices for each asset class that the Funds can be invested in:

ASSET CLASS	BENCHMARK INDEX
Cash	S&P/NZX Call Rate Deposit Index
Fixed interest	80% S&P/NZX Investment Grade Corporate Bond Index; 20% S&P/ASX Corporate Bond Index 0+ NZD Hedged Index
Property & infrastructure	60% S&P/NZX 50 Index Gross; 40% S&P/NZX Real Estate Index;
Australasian equities	S&P/NZX 50 Index Gross
International equities	50% MSCI World ex Australia Net Total Return 100% hedged to NZD and 50% MSCI World ex Australia Net Total Return in NZD

The benchmark market index for each of the Funds is a composite benchmark. This is determined by using the benchmark market index for each asset class and combining the index returns based on each Fund's target asset allocation weighting to each asset

class for the relevant period. See the SIPO for more information on benchmarks and target asset allocation weightings.

The performance of the Funds compared with its relevant composite benchmark will be provided in the Manager's fund updates. See generatewealth.co.nz/managed-funds/fund-updates.

More information on the relevant market indices can currently be found at the following web pages:

- <https://www.spglobal.com/spdji/en/indices/fixed-income/sp-nzx-call-rate-deposit-index/#overview>
- <https://www.spglobal.com/spdji/en/indices/fixed-income/sp-nzx-investment-grade-corporate-bond-index/#overview>
- <https://www.spglobal.com/spdji/en/indices/fixed-income/sp-asx-corporate-bond-0-index/#overview>
- <https://www.spglobal.com/spdji/en/indices/equity/sp-nzx-50-index/#overview>
- <https://www.spglobal.com/spdji/en/indices/equity/sp-nzx-all-real-estate-sector/#overview>
- MSCI: msci.com/indexes

16. Conflicts of interest

We have developed a Conflict of Interest and Related Party Transaction Policy to identify, declare and manage any conflicts of interests.

Possible conflicts we have identified, which affect all of the Funds, are:

Staff trading

Any Generate employee involved in the day to day trading of the Scheme investments could reasonably be expected to influence Generate's investment decisions if the employee has, or plans to have, a personal interest in investments or planned investments of the Scheme. For example, if the investment manager had just bought a listed security in their personal capacity this may influence their decision to buy that same security for the Scheme. Any such employee is required to disclose any planned investments they make in their personal capacity into securities that are on the Scheme's AIL. Investments in their personal capacity include anything where the relevant staff member is a beneficiary or their spouse and/or any of their children are beneficiaries. When a new security is added to the AIL the relevant staff must disclose any interest they have in that security.

Related Party Transactions

Any potential related party transaction must be reported to the Board, an Executive Director or the Compliance Officer. Before the transaction is agreed to or takes place the Executive Directors on behalf of the Board will certify to the Supervisor as to why any related party benefits are permitted (as per section 174 of the FMCA). All related party transactions must be entered on the related party transactions register. Where it is determined that a conflict of interest exists, the relevant director or employee will refrain from participating in any discussion or decision making in relation to the transaction in which they are interested.

17. Glossary

Approved Issuer List or AIL means a list of all the assets the Scheme is allowed to invest into.

Attributed PIE Income for an income year is the amount of any income attributed to you by PIEs for that income year.

Attributed PIE Loss for an income year is the amount of any loss attributed to you by PIEs for that income year.

Auditor means Grant Thornton New Zealand Audit Partnership.

Business Day means a day other than Saturday or Sunday on which registered banks are open for general banking business in Auckland and Wellington.

Custodian means the custodian of the Scheme, currently Public Trust.

Disclose means the Disclose register maintained by the Registrar of Financial Service Providers, available at business.govt.nz/disclose.

FMA means the Financial Markets Authority.

FMCA means the Financial Markets Conduct Act 2013.

Fund means any fund established and maintained by us as part of the Scheme.

Government means the New Zealand government.

GST means Goods and Services Tax.

Inland Revenue or **IRD** means the Inland Revenue Department.

Investment Committee or **IC** means the body described on page 6 and in the SIPO.

Liabilities means, in relation to a fund or the Scheme, all liabilities of the fund or the Scheme (as the case may be), including liabilities accrued but not yet paid, and any provision which we decide in consultation with the Auditor should be taken into account in determining the liabilities of the fund or the Scheme (as the case may be), but excluding any amount which results from treating unitholders' interests or Units as liabilities and, where the Scheme is a PIE, where we in our complete discretion consider it appropriate to do so, any income tax liability.

Manager, Generate, we, us or **our** means Generate Investment Management Limited.

NAV means net asset value, being the amount produced by deducting the liabilities attributable to the fund from the market value of the assets of the fund.

PDS means the Product Disclosure Statement for the Scheme.

PIE means a portfolio investment entity, and has the meaning given to that term under the Tax Act.

Prescribed Investor Rate or **PIR** has the meaning given to that term by section YA 1 of the Tax Act.

Registrar means the registrar for the Scheme which, at the date of this document, is Apex Investment Administration (NZ) Limited.

Scheme means the Generate Unit Trust Scheme.

SIPO means the Statement of Investment Policy and Objectives for the Scheme.

Supervisor means Public Trust.

Tax Act means the Income Tax Act 2007.

Trust Deed means the trust deed for the Scheme dated 11 June 2019 (as amended or replaced).

Underlying fund manager means a third party manager into whose products the fund invests. This term may include, from time to time, third party investment managers who manage investments on behalf of the fund.

Website means our website at generatewealth.co.nz.

Notes

Generate[™]
Together.