Generate
Unit Trust Scheme (Managed Funds)

Investor Guide

SEPTEMBER 2024

GenerateWealth.co.nz

A product disclosure statement for the Generate Unit Trust Scheme is available at **generatewealth.co.nz** or by contacting us on **0800 855 322.** The issuer is **Generate Investment Management Limited.**

Table of Contents

Generate Managed Funds make investing simple and stress-free

What is a managed fund?

Generate Managed Funds work in a similar way to our KiwiSaver funds, but you get to control how much and how often you want to invest, and when you want to withdraw your investment.

You only need $1,000[1] to start investing in Generate Managed Funds, and from there our team of expert fund managers will actively manage your funds, making the calls on which equities and assets to buy and sell.

Managed funds are a great option to consider if you want to grow your savings over the long-term, as the returns are typically higher than those from a traditional bank savings account or term deposit. However, it is important to remember that all investments involve risk, and your balance can go up and down from month to month. This is a normal part of investing and is generally linked to the amount of risk associated with your fund choice. Read more about risk and return on page 12.

How are managed funds different to KiwiSaver funds?

Managed funds are very similar to KiwiSaver funds, but the big difference is accessibility. Your KiwiSaver savings are typically locked away until retirement, or when you are buying a first home. Managed funds have no such restrictions, so you can access your money at any time.

The other key difference is that managed funds are not eligible for KiwiSaver benefits such as the annual Government contribution, employer contribution or the First Home Grant. See more detail on page 19.

How are managed funds invested?

When you invest in a managed fund your money is pooled with other investors and the collective amount is invested by our expert fund managers. This is the same way that KiwiSaver funds are invested.

When you invest in a managed fund you buy 'units' in that fund. Each unit represents a share of the overall value of the fund. The unit price on any given day is how you know what your share of the fund is worth.

Diversifying your investment

The Generate Conservative, Balanced and Focused Growth Managed Funds are diversified, which means they are invested across different countries, industries and asset classes to reduce risk. While diversification can't eliminate risk entirely, it can help reduce the impact on the overall portfolio if one investment isn't performing as expected, as it has the potential to be offset by another investment that is doing well.

Why invest with a fund manager?

Investing by yourself can be a daunting task. Choosing which companies and equities are likely to perform well over time requires extensive research and analysis.

Generate's award-winning Investment Team are 'active' fund managers, which means they don't just follow the market average, they aim to beat it. They are dedicated to analysing the financial markets and looking for opportunities to improve returns for our investors – whether that's through individual companies, specific industries or rapidly-growing areas of the world. Letting our experts manage your investment allows you to focus on what matters most in your life.

How much do I need to start investing?

Generate Managed Funds are designed to be accessible and only require a $1000[1] upfront investment.

You have the flexibility to contribute regularly to your investment with as little as $100 on a weekly, monthly, quarterly, or annual basis.

Are managed funds locked in?

No, unlike a KiwiSaver account your money isn't locked away. You can top up your investment or request a withdrawal whenever you want to without any cost.

Joint accounts available

You can open a Generate Managed Fund account with more than one person named as the owner, making it a great investment option for couples or families.

[1] Minimum investment required for individual and joint accounts. Accounts owned by trusts, companies, estates or and other incorporated societies or associations require a minimum investment of $25,000.

Growing your wealth with Generate Managed Funds

Regular investing and compounding returns can play a powerful role in growing your long-term wealth.

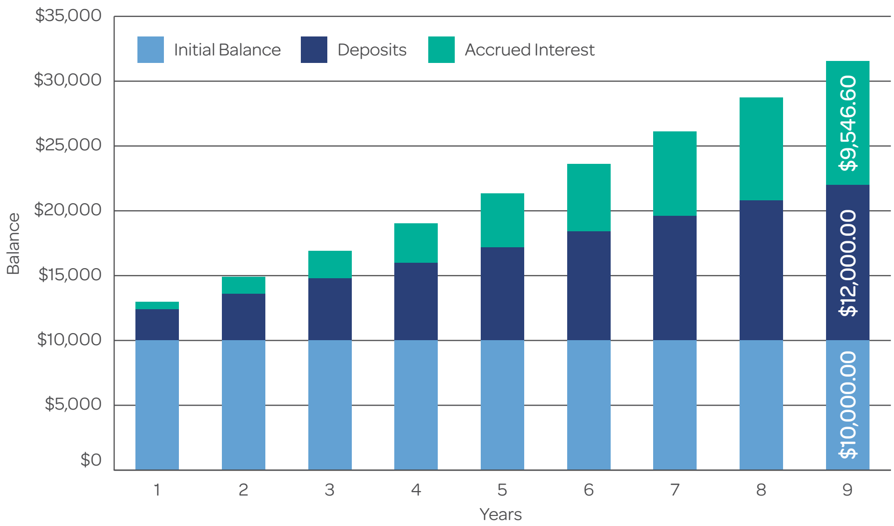
Each time you invest money into your Generate Managed Funds account, that money has the potential to generate returns for you in the form of interest, dividends, or capital gains.

Those returns are paid back into your managed funds account. If you leave your returns in your account (rather than withdrawing them), they will be invested with your original deposit, which means in the next period, you could earn returns on both your initial investment and also on your previously earned returns.

As this cycle continues, the compounding effect becomes apparent. The returns your account produces in each period contributes to a larger base for generating returns in the subsequent periods.

This page uses assumptions provided by the Financial Market's Authority (FMA) intended to illustrate difference in potential fund returns. These numbers do not reflect the actual returns of Generate funds.

Luke invests $10,000 today and makes regular contributions of $100 per month for a period of 10 years (see assumptions below)



Assumptions

Scenario:
Luke has a starting investment lump sum of $10,000.
Luke remains invested until the end of the investment period.
No withdrawals are made, and contributions are fixed for the life of this example.
5.5% annual returns have been used to represent the Aggressive category returns as set out by the FMA for long term return assumptions.

***Disclaimer**

The illustrations above do not reflect the prospective performance of the Scheme or of any fund. Returns to members of the Scheme are subject to investment and other risks (including potential losses). No returns are guaranteed or assured, and returns can at times be negative, particularly given the length of the investment period shown in the illustration. Past performance is not necessarily an indicator of future performance and returns over different periods may differ.

Investing in your managed funds account

You can make lump-sum investments into your managed funds account at any time. Or you can opt for a strategy like, dollar-cost averaging.

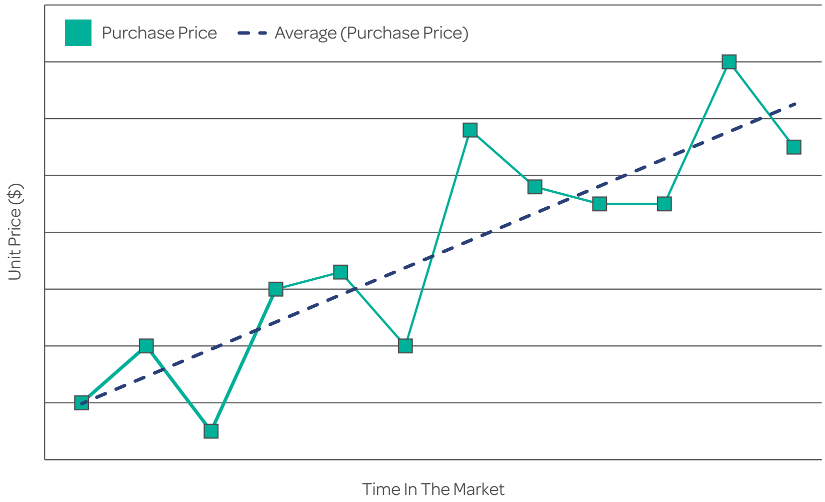
What is dollar-cost averaging?

Dollar-cost averaging is an investment strategy where you regularly invest a fixed amount of money into the same investment at regular intervals, regardless of the asset's price or market conditions. This approach is designed to reduce the impact of market volatility and smooth out the average purchase price of the investment.

How does dollar-cost averaging work with Managed Funds?

When you put money into your managed funds account you buy units in the fund. The price of each unit can go up and down from day to day as the equities the fund is invested in respond to market conditions. For example, if the market is down, the unit cost may also decrease. This means your regular investment could buy more units at a cheaper price. When the market bounces back, those units you bought at a cheaper price would benefit an increase in value.

Dollar-Cost Averaging in a Rising Market



Source: This graph has been created internally to illustrate Dollar Cost Averaging.
This diagram is not linked to any specific data.

Pros:

You benefit from time in the market – rather than trying to time the market
Making regular contributions versus investing your entire contribution in one transaction reduces market timing risk. Market timing is challenging to do consistently and successfully, and so the goal of dollar-cost averaging is to avoid making a large investment at a poor time, such as just before a market decline.

By investing regularly, investors enter the market immediately and benefit from added time in the market, rather than trying to wait for a less expensive entry point.

Peace of mind
Investors benefit from peace of mind knowing that if there was a sudden drop in market value, dollar-cost averaging will allow them to take advantage of purchasing units at a lower price.

A systematic approach
Dollar cost averaging eliminates the need for constant decisions, and can help organise your budget and personal finances around a fixed investment commitment, for example, investing $250 per month.

Cons:

Investing becomes more expensive over time
Because markets are increasing more often than falling in value, dollar-cost averaging in a rising market means the average cost per unit will increase over time.

Potential to lower overall returns
Only if the market decreases in value throughout the period does the dollar-cost averaging outperform investing the money all at once.

The problem is that equities naturally have an upward bias over time, meaning that the market rises over the long term.

This means that if you are invested over a long period of time, you might not perform as well as you would have if you had invested a single sum at the start of the period.

Your investment approach is your choice. Dollar-cost averaging is optional and may not be suitable for everyone.

Choosing the fund that's right for you

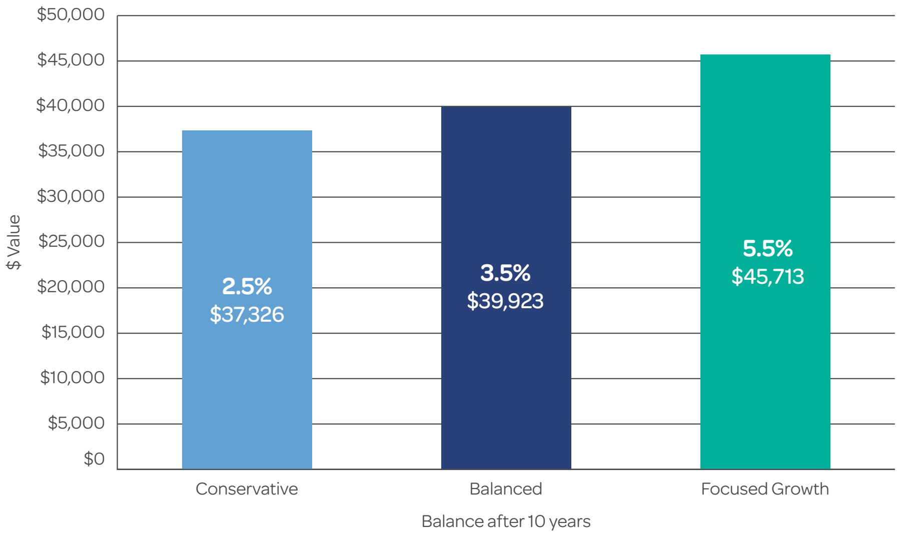
Your fund choice is one of the most important factors of your investment, as it has a significant bearing on your long-term balance.

There are two ways to grow your Managed Funds investment:

1. By making regular contributions
2. The returns your fund earns. The higher your net return, the greater your balance will be when you're ready to make a withdrawal. Your returns will be largely influenced by the type of fund you decide to invest in.

This page uses assumptions provided by the Financial Market's Authority (FMA) intended to illustrate difference in potential fund returns. These numbers do not reflect the actual returns of Generate funds.

Ben & Lauren have an initial deposit of $10,000 and make monthly deposits of $180 (see assumptions below)



Assumptions

Scenario: Ben and Lauren have an initial investment deposit of $10,000. They are planning to remain invested for 10 years to build a fund to help their 2 children onto the property ladder. They make regular contributions of $180 per month for the life of the investment. The chart above shows the potential growth of their funds when invested across our 3 available funds. These funds are in line with their investment timeframe.

The returns used have been set out by the FMA being 2.5%, 3.5% and 5.5% respectively across the 3 fund options. Please note the FMA does not provide any guidance on long term assumptions for single sector fund.

The returns are used for illustrative purposes only and do not reflect the prospective performance of the Generate Managed Fund scheme. They include tax of 28% (the highest and most common tax rates for investors) Inflation is assumed to average 2%. The returns are subject to investment and other risks (including potential losses). No returns are guaranteed or assured, and returns can at times be negative, particularly given the investment period shown in the illustration. Past performance is not necessarily an indicator of future performance and returns over different periods may differ.

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Why invest with Generate?

We're an award-winning New Zealand owned KiwiSaver and wealth manager, with a track record of strong long-term performance and industry recognition for our community and environmental impact investments.

Consistent long-term performance[1]

At the end of the day, what usually matters most to our members is the long-term return on their investment. We are 'active' fund managers, which means we research and choose what we think are the best investments in New Zealand and globally and then we keep on top of them, every day.

While our Managed Funds are relatively new investment options, our investment expertise shines through our well-established KiwiSaver funds, which consistently rank highly for long-term performance in their respective categories. See our latest fund performance on our website.

Our funds also have received industry praise; our Focused Growth Managed Fund won the Diversified Fund of the Year Award, at the Fund Manager of the Year Awards 2023.[2]

Exceptional & awarded service

We're not a faceless provider, quite the opposite. Research shows financial advice adds long-term value to your savings, which is why we like to talk directly with members coming on board to make sure they're well informed and their plan is right for their goals.

This service is part of the reason our KiwiSaver team has won a Consumer NZ People's Choice Award for three years in a row, as well as a Reader's Digest Trusted Brands Award in 2023.

Responsible investing

We specifically exclude companies involved in the manufacture of whale meat, cluster munitions, nuclear explosive devices or tobacco; and we have been a signatory to the United Nations Principles for Responsible Investing since 2018.

All of Generate's Managed Funds and KiwiSaver funds have also been officially recognised as 'Mindful Funds' on the Mindful Money website.[3]

We also promote impact investing and work actively with partners for a more sustainable future. Since 2020 we have invested over $45 million into affordable housing to help get more Kiwis into their own homes, while providing a fair market return for our investors. Initiatives like this, are part of the reason we were a finalist for the Responsible Investment Manager of the Year Award at the Fund Manager of the Year Awards 2023.

Kiwis taking care of Kiwis

Generate is proudly Kiwi owned and operated and one of New Zealand's most trusted KiwiSaver and Wealth providers. We are passionate about educating and empowering Kiwis to make smart financial decisions that will help them be better off in the future.

[1] Consistent long-term performance refers specifically to the performance of the Generate KiwiSaver Scheme. The Generate Unit Trust (Managed Fund) Scheme does not have a long-term performance record with the longest running Managed Fund (Focused Growth Fund) with an inception date of 11 October 2019. Generate KiwiSaver and Managed Funds are different products and may have different returns due to market conditions, underlying investments assets and differences in fees. Past performance may not be indicative of future results and there is no guarantee of future results.

[2] Fund Manager of the Year Awards were announced by Research IP on 15 November 2023. These awards should not be read as a recommendation by Research IP. For further advice on the relevance of this award to your personal situation, please consult your authorised financial adviser, or visit research-ip.com/awards.

[3] www.mindfulmoney.nz

How we invest your funds

We invest in leading companies both in New Zealand and internationally, as well as some of the best fund managers in the world*.

Target investment mix

When viewing our Managed Fund options, you'll see that each fund has a long-term target investment mix. This is the intended allocation of 'income' and 'growth' assets that the fund will be invested in. Note that the actual investment mix may vary from the target investment mix as we pursue tactical investment opportunities, or as we seek to protect asset values in periods of market volatility.

For more information about the funds' investment activities see the Statement of Investment Policy and Objectives (**SIPO**) at Generatewealth.co.nz.

Income assets

Cash and fixed interest assets are referred to as income assets because they generate income in the form of interest payments. Income assets are typically less volatile than growth assets, so while the returns can go up and down (and be negative at times) they won't usually move to the same degree as growth assets. Over the long-term, income assets will usually provide lower returns than growth assets.

Growth assets

Equities, property and infrastructure are referred to as growth assets because they have the potential to achieve returns by increasing in value over time. They also involve more risk. Typically the returns of growth assets will fluctuate more than income assets, and are more susceptible to experience periods of negative returns.

Australasian equities are predominantly made up of listed securities on the NZX and ASX.

International equities are made up of third party underlying funds that invest predominantly in equities and direct investment (i.e. holdings that are held directly rather than indirectly, by the relevant wholesale funds managed by us), in international stocks. The Conservative and Thematic Funds will not invest in third-party underlying funds. See the SIPO for more information.

Responsible Investment Policy

Investing in a way that incorporates environmental, social and governance (ESG) issues, manages risk, and endeavours to produce attractive long-term returns is an important part of our investment decision-making process. Generate has a Responsible Investing Policy, which all our investments adhere to.

Download a copy of our Responsible Investment Policy from our website: www.generatewealth.co.nz/responsible-investing

Currency exposure

Foreign currency exposures are typically 50% hedged. For more details on our currency strategy, see the SIPO.

Changes to the SIPO

We regularly review our SIPO and may change it at any time with the approval of our Investment Committee. Any changes to the SIPO will be advised to the Supervisor prior to taking effect and then lodged on the Disclose Register within five business days of the change taking effect. Material changes will also be advised in the annual report.

Further information about the assets in the funds can be found in the fund updates at Generatewealth.co.nz/fund-updates.

* The logos shown represent some of the companies and fund managers the Generate Unit Trust Scheme was invested in at the date of this document. As we are an active manager, investments are subject to change.

Generate Managed Fund options

We have five Managed Funds available to invest in. You can choose to invest in one fund or spread your investment across multiple funds.

Conservative

The Conservative Managed Fund aims to provide a modest return over the short term. It invests in an actively managed portfolio made up largely of income assets with a small allocation of growth assets.^ Volatility is likely to be low to medium. Returns will vary and may be low or negative at times.

Asset allocation

80% Income 20% Growth

Target investment mix

- Cash 5%
- Fixed interest 75%
- Property & Infrastructure 6.75%
- Australasian Equities 6.75%
- International Equities 6.5%

Risk Indicator[1]

1 2 **3** 4 5 6 7

Low ← RISK/RETURN → High

Minimum recommended investment timeframe: 2 years

Annual fund charges: 1.19%

Balanced

The Balanced Managed Fund aims to provide a medium return over the medium term. It invests in an actively managed portfolio made up of slightly more growth assets than income assets.^ Volatility is likely to be medium to high. Returns will vary and may be low or negative at times.

Asset allocation

40% Income 60% Growth

Target investment mix

- Cash 5%
- Fixed interest 35%
- Property & Infrastructure 15%
- Australasian Equities 15%
- International Equities 30%

Risk Indicator[1]

1 2 3 **4** 5 6 7

Low ← RISK/RETURN → High

Minimum recommended investment timeframe: 5 years

Annual fund charges: 1.35%

Focused Growth

The Focused Growth Managed Fund aims to provide a higher return over the long term. It invests in an actively managed portfolio made up predominately of growth assets with a minor allocation of income assets.^ Volatility is likely to be high. Returns will vary and may be low or negative at times.

Asset allocation

5% Income 95% Growth

Target investment mix

- Cash 5%
- Fixed interest 0%
- Property & Infrastructure 15%
- Australasian Equities 15%
- International Equities 65%

Risk Indicator[1]

1 2 3 4 **5** 6 7

Low ← RISK/RETURN → High

Minimum recommended investment timeframe: 8 years

Annual fund charges: 1.41%

^ See page 9 for more details.

[1] As the Funds have not been in existence for 5 years the risk indicators have been calculated using a combination of actual returns and market index returns, and/or market index returns only. Market index returns have been used from 31 March 2019 to 30 November 2019 for the Focused Growth Managed Fund, from 31 March 2019 to 16 May 2022 for the Conservative and Balanced Managed Funds, and from 31 March 2019 to 21 July 2023 for the Australasian and Thematic Managed Funds. As a result, the risk indicators may provide a less reliable indicator of the potential future volatility of the Funds.

Australasian

The Australasian Managed Fund aims to provide a higher return over the long term. It invests in an actively managed portfolio of growth assets located predominately in New Zealand and Australia with a very minor allocation of income assets.^ Volatility is likely to be high. Returns will vary and may be low or negative at times.

Asset allocation

2% Income 98% Growth

Target investment mix

- Cash 2%
- Fixed interest 0%
- Property & Infrastructure 49%
- Australasian Equities 49%
- International Equities 0%

Risk Indicator[1]

1 2 3 4 **5** 6 7

Low ← RISK/RETURN → High

Minimum recommended investment timeframe
10 years

Annual fund charges
1.29%

Thematic

The Thematic Managed Fund aims to provide a higher return over the long term. It invests in an actively managed portfolio of growth assets predominately made up of mid-large cap international equities with a very minor allocation of income assets.^ Volatility is likely to be very high. Returns will vary and may be low or negative at times.

Asset allocation

2% Income 98% Growth

Target investment mix

- Cash 2%
- Fixed interest 0%
- Property & Infrastructure 0%
- Australasian Equities 0%
- International Equities 98%

Risk Indicator[1]

1 2 3 4 5 **6** 7

Low ← RISK/RETURN → High

Minimum recommended investment timeframe
10 years

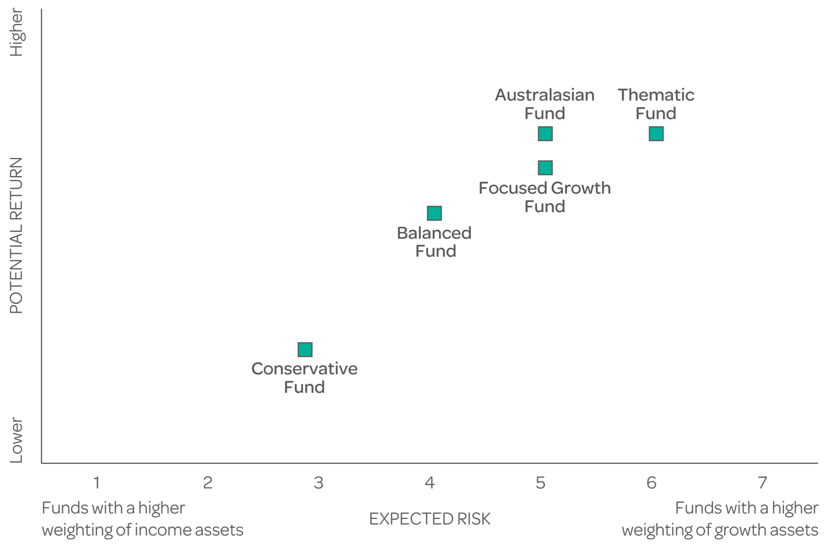
Annual fund charges
1.29%

See footnotes on the previous page.

Risk vs Return

It is important to understand the trade-off between risk and return when investing. All investments involve risk, and the level of risk and potential returns can differ based on where and how funds are invested.

Generate Managed Funds Risk vs Return



Understanding risk

In the context of investments, risk refers to the uncertainty or variability of returns. It's the possibility that the actual returns on an investment may be different from the expected returns.

How you make returns

Your returns are the gain or loss made on your investment relative to the amount invested. Managed funds can earn two types of returns:

1. Income Returns: From dividends or interest generated by the investment.
2. Capital Gains: The profit or loss made from selling an investment for more or less than its purchase price.

Returns can be influenced by many factors. For example world news and events, employment rates, inflation, interest rates, central banks monetary policy, natural disasters, trade relations and regulatory changes, currency exchange rates, and the corporate earnings of companies can all influence investment returns, along with many other factors.

While we can't control these factors, our active management team can work to mitigate the impact they may have on your investment.

Risk-Return trade-off

The general risk-return trade-off suggests that to potentially earn higher returns, investors must be willing to accept a higher level of risk. The level of expected risk for each of our Managed Funds can be identified by the 'risk indicator score'.

Each risk indicator score is based on the fund's target investment mix and weighting of income and growth assets. Growth assets, such as equities are generally considered riskier but have higher potential returns compared to income assets, like bonds, which are typically considered safer but offer lower returns.

The key to making an informed investment decision, is to find a balance that aligns with your financial goals and risk tolerance.

Risk Tolerance

Your risk tolerance describes your ability and willingness to withstand fluctuations in the value of your investments. It determined by factors such as your financial goals, investment timeframe, and personal comfort with risk.

Talk to one of our Generate advisers for help working out your risk tolerance.

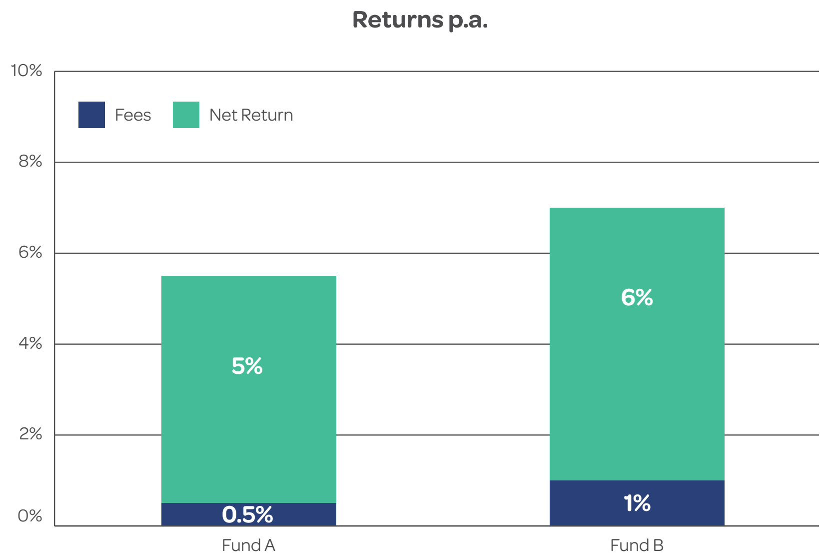
Managed Funds fees and taxes

'Price is what you pay, value is what you get.' – *Warren Buffet*

Fees can be a hot topic for investors as they are generally paid out of your investment, which has an impact on your balance.

However, looking at what fees you pay only tells part of the story. As an investor it is important to look at your **net return** as this is what you will receive, regardless of the fees.

Example: Fund A has a 0.5% fee while Fund B has a 1% fee. A comparison of just fees would select Fund A. However, Fund A has total return of 5.5% less the 0.5% fee which gives a net return of 5%. Fund B has a total return of 7% less the 1% fee which gives a net return of 6%. A comparison of net returns after fees would select Fund B. This is a simple example as there are many other things to consider when selecting a fund, but it demonstrates the value in looking at returns after fees.



What taxes will you pay?

Generate's Managed Funds are portfolio investment entities (PIE) funds, and returns are taxed at a maximum of 28%. You'll be taxed at your prescribed investor rate (PIR) instead of your personal income tax rate, which is either 10.5%, 17.5% or 28%.

A guide to calculating your PIR is included on page 21.

We recommend seeking independent tax advice for your financial situation.

If you are paying too little tax you are liable to pay additional tax to the IRD (together with any interest and penalties).

Generate Managed Fund fees

A full breakdown of the fees is provided in Section 5 of the Product Disclosure Statement (PDS).

Estimated total annual fund charges

FEE	CONSERVATIVE FUND	BALANCED FUND	FOCUSED GROWTH FUND	AUSTRALASIAN FUND	THEMATIC FUND
Base fund management fee*	1.189%	1.289%	1.289%	1.289%	1.289%
Third party underlying fund base fees*	0.001%	0.054%	0.119%	0.005%	0.000%
Third party performance fees*	0.000%	0.002%	0.005%	0.000%	0.000%
Annual fund charges as a % of Net Asset Value (NAV)*^	**1.19%**	**1.35%**	**1.41%**	**1.29%**	**1.29%**

* Estimates
^ Rounded to 2 decimals

Example of how fees apply to an investor

Hannah invests $10,000 in the Balanced Managed Fund. She is not charged an establishment fee or a contribution fee.

This means the starting value of her investment is $10,000. She is charged management and administration fees, which work out to about $135 (1.35% of $10,000). These fees might be more or less if her account balance has increased or decreased over the year.

Estimated total fees for the first year
Fund charges: $135

See the latest fund update for an example of the actual returns and fees investors were charged over the past year.

This example applies only to the Balanced Fund. If you are considering investing in other funds or investment options in the Scheme, this example may not be representative of the actual fees you may be charged.

Choosing a fund based on your risk tolerance

The key to choosing the right fund for you, is to find one that aligns with your investment time frame and your ability and willingness to withstand potential market fluctuations.

The following risk profiler will help you decide which fund is right for you*:

Please note: If you have a goal that has a timeframe of less than 2 years then the Generate Managed Funds offering may not be suitable for your needs.

How many years do you have until you need to withdraw from your Managed Fund?

A) Between 2 – 5 years	2
B) Between 5 – 7 years	4
C) Between 7 – 10 years	7
D) I will not use my Managed Fund for at least 10 years.	8

How would you describe your risk tolerance?

A) I am a conservative risk taker. I am happy with a lower level of return over the long term.	-1
B) I am a balanced risk taker. I like to have some higher risk investments and some lower risk investments and a moderate level of return over the long-term.	0
C) I am a risk taker. I am happy taking risks and don't mind about short term losses if I can achieve a higher return over the long term.	1

Growth funds are more volatile than conservative funds.
If you were in a growth fund that lost 5% of its value in a month during a market decline, what would you do?

A) Move to a conservative fund	-1
B) Move half to a conservative fund	0
C) Stay in the growth fund confident that growth should outperform conservative over time.	1
D) If I was in the financial position to, I would increase my contributions or make a lump sum contribution while prices are lower.	2

How did you do?

Please add up the numbers next to your answers.

YOUR SCORE	INDICATIVE FUND CHOICE
0 – 4	Conservative Fund (minimum investment timeframe of 2 years)
5 – 8	Balanced Fund
9 – 11	Focused Growth Fund

Your scores are an indication only of the fund that may best suit you. You can choose any fund or a % of each. Before making a choice, you should consider all of the factors relevant to your decision and seek financial advice where you think it might be helpful.

* This is a general guide only and not financial advice, nor a financial advice service under the Financial Markets Conduct Act 2013. It does not take into account your personal financial situation or goals.
The issuer is Generate Investment Management Ltd. A copy of the PDS is available at generatewealth.co.nz

Ready to invest in Generate Managed Funds?

Follow these easy steps...

1. Complete the application form at the back of the Product Disclosure Statement (PDS) or the online Managed Fund application form at generatewealth.co.nz/start-managed-funds.
2. Remember to include the required identification and proof of address.

Tip:

Please make sure the email address is correct on your application so we can send you relevant information about your investment.

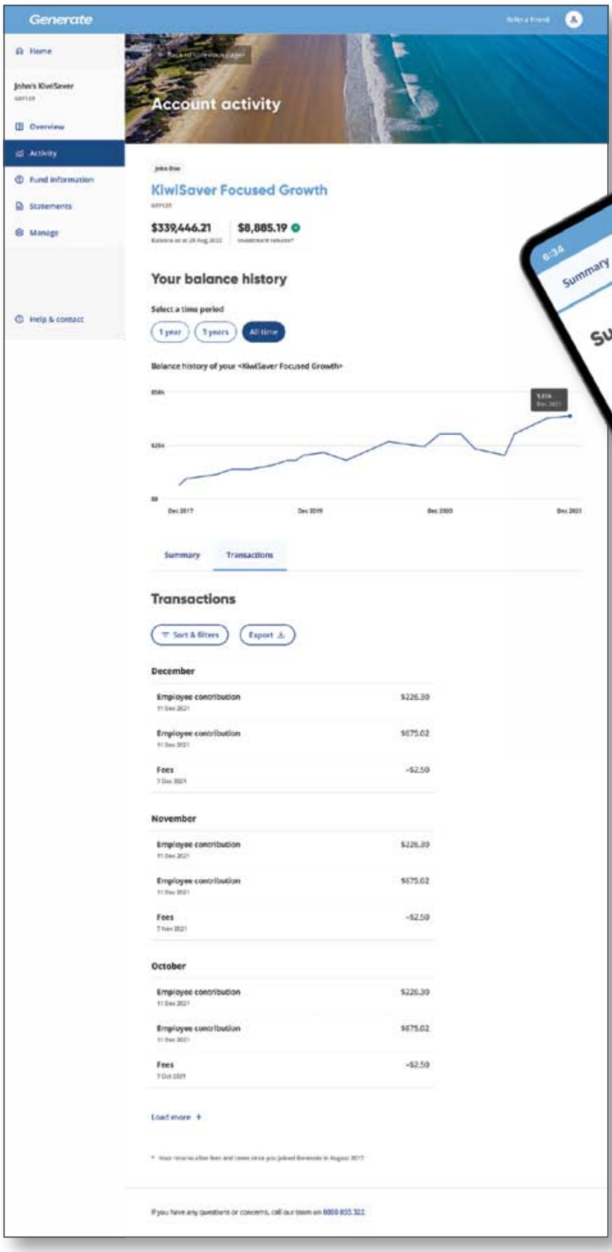
Many people change jobs regularly so please use a personal email address rather than a work one.

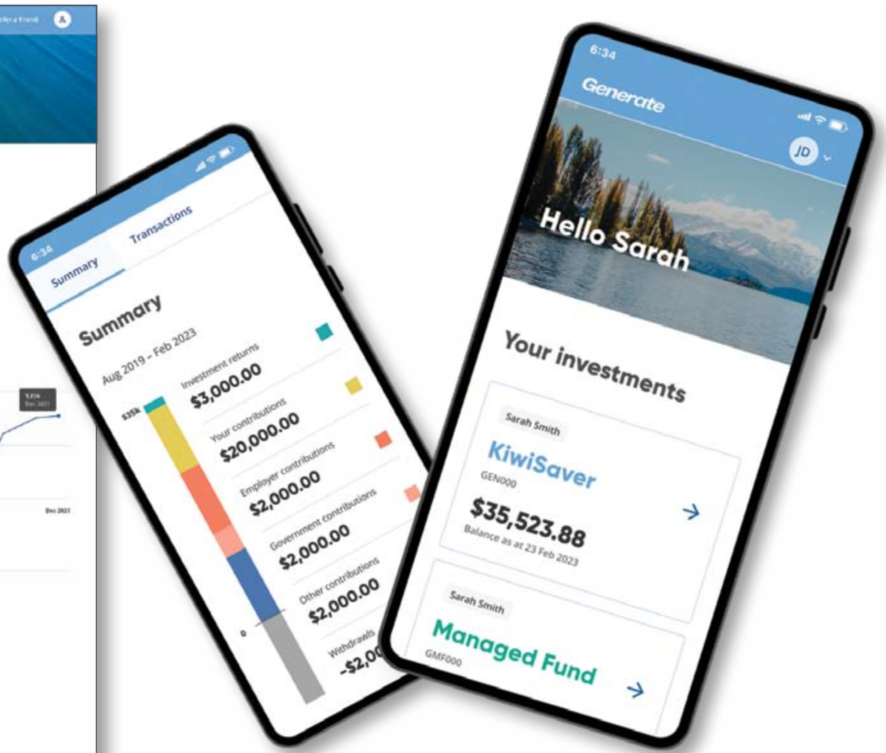
What next?

1. Check your email for confirmation of your membership of the Generate Unit Trust Scheme (Managed Funds).
2. If you're a new Generate member, set up a Generate online account and download the Generate app. (If you are already a Generate KiwiSaver Scheme member, we'll add your managed funds investment to your existing account).
3. Check out our monthly investment updates and newsletters for updates on Generate's funds and our view on the markets.
4. If you want to contribute on a regular basis, please complete a direct debit form as part of your application or you can set this up later in your Generate online account or in the Generate app.

Easily manage your investments with the Generate app

Our innovative app provides an easy way to keep track of your investments and see exactly where your money is invested. The app is available on iOS and Android, and also available on desktop from a web browser.





App features:

- Monitor your Generate investments
- See your full breakdown of where your money is invested
- Download your tax certificate and Annual Statements
- Manage your direct debits
- Switch between funds[1]
- Refer your friends and be in to win[2]

[1] We recommend talking with an adviser before switching funds.
[2] Terms and conditions apply for the refer a friend prize draw. See generatewealth.co.nz/prizedraw

You will need a unique email address to login to your account.
We recommend you use a personal email address as opposed to a work email address.
We will email you as soon as we have processed your application with your login details.

FAQ's

How do I make a withdrawal?

Our Managed Funds are a fantastic way to get started investing, diversify your portfolio, and add to any current assets you might already have.

To make a withdrawal simply complete a withdrawal form from our website. You should also keep the following in mind:

- Each transaction involving a partial withdrawal (non-regular) **must be for $500 or more**.
- Regular withdrawals must be **at least $100 each transaction** and can be set up weekly, fortnightly, or monthly.
- Your Managed Funds investment must maintain a minimum balance of **$1,000** for individuals and **$25,000** for entities.

We also recommend speaking to an adviser before making any significant/ large withdrawals.

Can I switch between funds?

Yes, you can switch your fund choice in your Generate account either via desktop or using the Generate app. Alternatively you can fill in the 'Managed Funds: Changing Investment Strategy' form on our website and email it through to us.

You can choose to invest in one managed fund, or spread your investment across multiple managed funds.

If you switch funds, it will be considered a withdrawal from one Managed Fund and an application for units in another Managed Fund. All the conditions and restrictions on applications and withdrawals will therefore apply. We recommend talking to an adviser before switching your fund choice to ensure you understand the impact this may have on your investment – particularly if the markets are down.

Can I have a joint account?

Yes, you can open a Managed Fund account with more than one person named as the owner.

This is a great option for couples, siblings or families.

How do I view my balance?

The best way to keep track of your Managed Funds investments is via your Generate account. You can log in online from the Generate website or download the Generate app, and get your fund performance at your fingertips.

What taxes do I pay?

Our Managed Funds are registered as PIEs. Please note all PIE tax will be paid on your behalf.

Also, PIE investors benefit from:

- Investors are taxed up to a maximum PIR of 28%. This is the highest rate.
- No tax on earnings in New Zealand equities and even some Australian equities.

Unless they are listed on the Australian ASX All Ordinaries Index, investments in non-New Zealand companies are taxed under the modified Foreign Investment Fund regulation (FIF) and are treated as though they had earned 5% of their total income. The income is computed by 5% of the total portfolio of assets subject to the FIF regime's daily market value multiplied by the number of days in the year. Companies governed by the FIF framework are not taxed on their dividends.

Instead of all Fund income and expenses being passed through to investors at the Fund's tax rate of 33%, they are taxed at the investor's PIR, up to a maximum of 28%, under the PIE regime. Investors who pay a 33% marginal tax rate profit from a 5% discount.

We recommend seeking independent tax advice for your financial situation.

How secure are my funds?

Your Generate investments are held by a licensed supervisor and not the scheme provider. This means you can focus on selecting the fund that's right for you knowing your investments are being held by an independent supervisor.

FAQ's

How are Managed Funds and KiwiSaver different?

	KiwiSaver	Managed Funds
Investment Purpose	KiwiSaver is a voluntary savings scheme set by the Government designed to help Kiwis save for their first home or retirement.	Generate Managed Funds are designed to help Kiwis grow their own professional investment portfolio, without the stress and time-requirement of following the market and making investment decisions. Managed funds can help Kiwis save for any goals they may have.
Withdrawals	You can only withdraw your KiwiSaver savings to buy your first home, or when you reach the NZ retirement age (65 years). (Unless you qualify for a permitted withdrawal, such as financial hardship.)	Managed Funds are not locked in, you can withdraw your funds when you need to. There are no fees for making withdrawals, although there is a minimum withdrawal amount of $500, or $100 per transaction for regular withdrawals, and your account must have a minimum balance of at least $1000 should you wish to keep it open.
Returns	The returns you receive will change with the performance of your KiwiSaver Fund. Returns can be both positive and negative.	The returns you receive will change with the performance of your Managed Fund. Returns can be both positive and negative.
Contributions	Employees who have opted into a KiwiSaver scheme must contribute at least 3% of their pay or wages to their KiwiSaver account. Employers must also contribute a minimum of 3% of an employees salary or wages on top of this. KiwiSaver members who are self-employed or unemployed can choose how much money they want to contribute to their account. KiwiSaver members can also choose to make voluntary contributions whenever they like.	You decide how much and how often you want to invest in your Managed Funds account. Although there is a minimum investment of $1000 to open a Managed Funds account, and a minimum of $25,000 for entities, trusts and other non-individual (or joint) accounts. There are no employer contributions.
Government Contributions	If you're eligible, receive up to $521.43 annually. See eligibility criteria at generatekiwisaver.co.nz/gc	There are no Government contributions.
Diversification	Generate KiwiSaver funds are diversified, which means they are invested across different countries, industries and asset classes to reduce risk and ensuring you don't have all your eggs in one basket.	Generate Managed Funds are also diversified; invested across different countries, industries and asset classes to reduce risk.
Investment Time Frame	KiwiSaver is generally a long-term investment, as it can only be withdrawn for your first-home or at retirement.	Managed Funds have no lock-in rules, this means that they can be used for a wide range of different goals with different timeframes.

FAQ's

How are Managed Funds and Term Deposits different?

	Term Deposits	Managed Funds
Investment Purpose	A term deposit is a low-risk investment that provides a fixed interest rate for a specific term. Term deposits are favoured for capital preservation and a guaranteed return, making them suitable for conservative investors.	Generate Managed Funds are designed to help Kiwis grow their own professional investment portfolio, without the stress and time-requirement of following the market and making investment decisions. Managed funds can help Kiwis save for any goals they may have.
Withdrawals	Term deposits are locked in for the agreed amount of time. They can sometimes be broken early, but will usually come with penalties, such as extra fees or a reduction in the interest you receive.	Managed Funds are not locked in, you can withdraw your funds when you need to. There are no fees for making withdrawals, although there is a minimum withdrawal amount of $500, or $100 per transaction for regular withdrawals, and your account must have a minimum balance of at least $1000 should you wish to keep it open.
Returns	Term deposits have a fixed return, which is agreed at the start of the term and paid at the end of the term. The return is generally lower than Managed Funds as the investment is lower risk.	Managed Funds generally have higher returns than term deposits over the long-term as there is more risk involved. Returns are determined by the performance of the fund and can be positive or negative.
Volatility	Term deposits are not considered as diversified investments. Your return is predetermined and will remain the same despite market activity (either positive or negative).	The value of your managed funds investment can be affected by market volatility. If the financial markets are down, the fund's unit price may also go down, causing your balance to fluctuate. The good news is that when the markets are performing well, this can also affect your balance, but in a much more positive way!
Diversification	Does not invest in multiple types of investments. You are lending money to the bank, and the bank is paying you an interest rate for the privilege of borrowing your money.	With the exception of the single-sector funds (Australasian and Thematic) Generate Managed Funds are also diversified; invested across different countries, industries and asset classes to reduce risk.
Investment Time Frame	Are generally available for a term as little as one month, to as long as five years.	Our Managed Funds can suit investors with a minimum two year investment timeframe. Your investment time frame is an important factor in deciding which managed fund is suitable for you.

FAQ's

Working out your Prescribed Investor Rate (PIR)

You pay tax on the money you earn from your investment. If you're not on the right rate, you could be paying more tax than you have to. However, if you are paying too little tax you are liable to pay additional tax to the IRD.

Before you invest in a portfolio investment entity (PIE) such as a Generate's Managed Fund scheme, you will need to provide your IRD number and PIR. If you do not provide your IRD number and PIR, the income derived on your Managed Fund account will be taxed at the default rate of 28%. Your PIR is used to calculate the tax on income derived on your account. You can determine your PIR go to ird.govt.nz/PIR or answer the following questions.

We recommend seeking independent tax advice for your financial situation.

Working out your PIR (for individual investors)

Are you a New Zealand tax resident?[1] — NO → **Your PIR is 28%**

YES ↓

In either of the last two income years:[2]
- Was your taxable income $14,000 or less, AND
- Was your total income (taxable income and PIE income) $48,000 or less?

— YES → **Your PIR is 10.5%**

NO ↓

In either of the last two income years:[2]
- Was your taxable income $48,000 or less, AND
- Was your total income (taxable income and PIE income) $70,000 or less?

— YES → **Your PIR is 17.5%**

NO ↓

Your PIR is 28%

[1] Generally you are a New Zealand tax resident if;
– You are in New Zealand for more than 183 days in any 12 month period, or
– You have a "permanent place of abode" in New Zealand, or
– You are away from New Zealand working for the New Zealand Government.

[2] Previous two income years refers to the two tax years prior to the tax year that the PIR is being applied to. (For example, use your income for the 2020-2021 tax years to work out your 2022 PIR). Your attributed PIE income or attributed PIE loss for an income year is the amount of income or loss attributed to you by PIEs in that income year, which will be recorded in the tax certificates issued to you at the end of the income year by each PIE you invest in.
Refer to the OMI tax section for more information on how to determine your PIR.

Contact us

If you have any questions regarding your membership in the Generate Managed Funds Scheme please contact us on **0800 855 322** or email us at **info@generatewealth.co.nz**

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Notes

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Together.